



Florida Minority Community Reinvestment Coalition

2302 W. St. Louis Avenue, Tampa FL 33607

March 30, 2010

Office Comptroller of the Currency
Mr. John C. Dugan
Comptroller
250 E Street SW
Washington D.C. 20219

Federal Reserve Board System
Governor Elizabeth A. Duke
20th & C Street, NW
Washington D.C. 20551

Federal Reserve Board System
Governor Donald Kohn
20th & C Street, NW
Washington D.C. 20551

Federal Reserve Board System
Governor Daniel Tarullo
20th & C Street, NW
Washington D.C. 20551

Federal Reserve Board System
Governor Kevin Warsh
20th & C Street, NW
Washington D.C. 20551

Copy:

Honorable Barney Frank
Chair
House Financial Services Committee
2252 Rayburn Bldg
Washington D.C. 20515

Honorable Chris Dodd
Chair
Senate Banking Committee
448 Russell Building
Washington D.C. 20510

RE: Response to Raymond James Bank letter dated March 22, 2010: Letters from Al Pina, **Chair of Florida Minority Community Reinvestment Coalition** & Orson Aguilar, Executive Director of **The Greenlining Institute** regarding Charter Conversion Application, CAIS Control Number 2008-SO-01-0016 (**Raymond James Financial Application for National Bank Charter**)

Dear Governor Duke, Governor Kohn, Governor Tarullo, Governor Warsh and Comptroller Dugan:

This letter is a follow up to the Raymond James Bank letter dated March 22, 2010 that countered requests by FMCRC and Greenlining Institute requesting the OCC to deny the national bank application by Raymond James Bank.

First off I would like to thank all of you for taking time out of your very busy schedules to meet with myself and representatives of the Greenlining Institute. We found our discussion to be very insightful and productive. This letter is related to one of our discussion points: The ability of non-traditional banks to have a competitive advantage over traditional banks due to a difference in regulatory oversight. Raymond James Financial wishes to follow the steps of Goldman Sachs, Morgan Stanley, Bear Stearns, Lehman Brothers and Merrill Lynch & Co. and be provided national bank status. Because these other institutions have proven to be a failure for main street consumers, this application by Raymond James Bank must be denied.

I find the response by Raymond James Bank CEO Steven Raney to be both offensive and an example of the arrogance of the Raymond James Financial Corporation.

First off, in the FMCRC protest letter, we outlined the lack of diversity at Raymond James Financial and not Raymond James Bank. Make no mistake about this, just like the other Wall Street Firms, it is the customers of the parent company that will benefit from a national bank status and as such, the parent company must be held accountable to diversity. In all my years of minority community activism, I have NEVER witnessed a more Anglo-Saxon company as I have seen at Raymond James Financial Inc. Again, there is only one woman and no minorities on the 14 member management team at Raymond James Financial Inc. This same lack of diversity can be found in their supplier network, philanthropy and upper management.

On a more macro view, a national bank charter will provide Raymond James Bank to offer FDIC deposit insurance and have access to the Federal Reserve Bank Discount Window as well as other expanded opportunities for funding. But as with ALL the other Wall Street Firms that were provided bank holding company status, they have failed to adhere to the true “spirit” of the Community Reinvestment Act. For Mr. Raney to brag about the “outstanding” CRA grade given to them by the Office of Thrift Supervision (OTS) is a joke in that we have not found one minority community leader who applauds the CRA grading system of the OTS.

But this demonstrates the arrogance of Wall Street Firm such as Raymond James Financial (Raymond James Bank). A state wide survey of Florida minority families and businesses found Raymond James Bank to be completely absent in our communities and businesses. For the first time ever in an FMCRC survey, respondents said Raymond James Bank had a 0% (zero) impact in their community. In addition, they gave Raymond James Bank an “F” for presence and leadership. But again, the arrogance of Raymond James Financial leads them not to grow from such data that concludes they have completely failed minority communities, organizations and businesses, but to feed a mentality that they need not be held accountable to the true spirit of the Community Reinvestment Act.

Raymond James Bank is #8 in Florida deposits and must be held to the same exact CRA standards as all other financial institutions such as Wells Fargo and Bank of America. The office of Thrift and Supervision has failed to hold Raymond James Bank to such standards.

In spite of the fact that Raymond James Financial/Raymond James Bank is headquartered in Florida, as the survey, HMDA and SBA data concludes, Raymond James Bank and its affiliates have exploited Florida as a distant colony that harm the entire economy of Florida. In Florida, minorities account for over 40% of the population, yet account for fewer than 5% of the GDP which has a negative impact on the overall economy. It is critical that Florida’s minority communities and businesses have greater access to capital and resources that will enable them to provide a greater contribution to the Gross Domestic Product of Florida. With out adequate access to capital, this will not be accomplished. The lending practices of Raymond James Bank to minorities in Florida are nothing more than economic segregation of which harms all Florida. And for Raymond James Financial/Raymond James Bank to now wish to take these discriminatory practices national is alarming.

The Community Reinvestment Act (CRA) is a federal law that requires banks to meet the credit needs of their entire communities, including low-moderate income (LMI) neighborhoods. The CRA Act begins by reciting to Congress three findings. First, banks (Raymond James Bank) are required to serve the “convenience and needs” of the communities in which they are chartered to do business. Second, “the convenience and needs of the communities include credit services.” Third, banks (Raymond James Bank) have “continuing and affirmative **obligation(s) to help meet the credit needs of the local communities** in which they are chartered.” As HMDA data below demonstrates, Raymond James Bank Thrift has failed miserably to provide true access to credit services to minority families and businesses within the footprint of its current Thrift Charter.

The HMDA data demonstrates, Raymond James Bank (An approved Thrift) has failed like no other Florida financial institutions to provide adequate home lending to Florida minorities as compared to other top ten Florida banks and their bank deposits. African Americans were provided no opportunities for home loans with Raymond James Bank. They have failed like no other top ten (deposits) Florida bank to provide banking services in the communities in which they are chartered. Raymond James shows a history of picking and choosing where they will provide credit services which is in conflict with CRA mandates.

A thorough CRA examination of Raymond James Bank, would uncover the following CRA violations of Raymond James Bank:

- 1) The OTS did not consider Raymond James Bank lending record according to race of the applicant (s) or the racial composition of the neighborhood in which the properties were located. As the data indicates, Raymond James Bank's record of lending to minorities and underserved communities is sparse and isolated.
- 2) The OTS did not engage a standardized set of quantitative data or benchmarks when evaluating Raymond James Bank.
- 3) The OTS engaged a "subjective" process in providing CRA ratings.
- 4) The OTS allowed Raymond James Bank to define their geographic area in which they have CRA obligations.
- 5) The OTS had not considered the below par small business lending record to minority small businesses in Florida

In addition to the Greenlining Institute letter, we wish to provide you a snap shot of Florida minority community sentiment regarding Raymond James Financial. We could provide you with over 1000 such statements but wish to provide you with just the following key statements from Florida minority community leaders that echo the cry to deny Raymond James Bank national bank charter status:

"We call on the OCC to deny the application by Raymond James to become a national bank. They have clearly demonstrated that they are not prepared to provide true access to capital for Florida's under served communities and businesses. It is our hope that the OCC will demonstrate leadership and show the under served communities in Florida that they matter" **Glorious Johnson, Councilwoman (At Large) City of Jacksonville**

"Raymond James application for national bank status should not be allowed until it has demonstrated that is inclusive of all people. Presently, it does not practice supplier diversity, governance diversity, workforce diversity and its market diversity should be reviewed. Such practices, intended or unintended represent economic segregation and should not be tolerated." **Malik Ali, Harvard MBA 1979 President-Florida Minority Supplier Development Council**

"The Florida bank charter application of Raymond James must be withheld until its management has demonstrated that its policies and programs are inclusive of disadvantaged communities and the small businesses owned by members of those communities. The Raymond James management was asked to address their diversity and community involvement in their plans, but it refused to commit itself to outline its plans. Intended or unintended, such action is irresponsible and their bank application must be withheld until they address their responsibilities." **Raul Espinosa, Founder Fairness in Procurement Alliance (FPA)**

“As a community of color, we are strongly opposed to institutions that do not include ethnic diversity in their comprehensive business management plans, or are not willing to address the needs of disadvantaged communities. We strongly feel that the Florida bank charter application of Raymond James should be withheld until after it can document that its policies and programs are responsive to and inclusive of disadvantaged communities and small minority businesses.” **Dr. Joy Bruce President, Asian American Federation of Florida**

“The Brooklyn Neighborhood Association formally protests the approval of the charter for the Raymond James National Bank. The Raymond James National Bank was asked to disclose its plans for minority communities and the small business owners that are a vital part of our community. The request for a charter application must be withheld until its programs are inclusive of all minority groups and small businesses. Our communities are in need of a financial institution that is willing to extend credit and loans to the minority community. This institution has failed to respond to the concerns that we expressed.” **Ayesha Covington, President Brooklyn Neighborhood Association (NE Florida)**

“The Minority Business Roundtable representing the CEO’s of the leading African American, Hispanic, Asian, Native American, and Women owned businesses in America hereby protests the award of a bank charter for Raymond James Bank until it demonstrates a comprehensive diversity plan for its board membership, workforce, and suppliers.” **Roger A. Campos, President & CEO Minority Business RoundTable**

This is an opportunity for a “reset” of how Wall Street Firms with national bank charters or thrifts will be regulated as it relates to CRA. In 2010, it is imperative for the Federal Reserve Board and OCC to redefine their role within the Community Reinvestment Act. The current economic state of our country will create a significant increase in financial industry consolidation. If there is not proper oversight of Wall Street Firms, such as Raymond James Financial/Raymond James Bank, as this major shift occurs, as we have seen in past 10 years, it will have catastrophic results for minority families and businesses. This will affect all communities as data conclusively shows us that the health of all major metropolitan areas are directly tied to the economic health of its surrounding inner cities. **We at FMCRC request the OCC not allow approval for any national bank charter of Raymond James Financial/Raymond James Bank until public hearings are held in both Florida and California, two key markets where they will do business in. Any such approval without such hearings will be nothing short of a slap to the face of all minority communities, organizations and businesses. And to do such harm to our communities, organizations and businesses will leave us no alternative but to organize and boycott the Office of the Comptroller of the Currency in Washington D.C. It is our hope that you will demonstrate a new way of doing business in Washington D.C.**

We thank you for your consideration on this very important issue. If there are any questions or concerns, please contact myself at (813) 598-6361.

Cordially,

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CC:

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Raymond James Bank
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Aracely Panameno (Director, Latino Affairs-Center for Responsible Lending) John Gamboa (Greenlining Institute) Greg B. Macabenta (National Chairman, National Federation of Filipino American Associations) Winnie Tang (President-Organization of Chinese Americans, South Florida Chapter) Elaine Black (President-Liberty City Trust) Ron Frazier (Chairman- BAC Funding Corporation) Dr. Joy Bruce (President, Asian American Federation of Florida) Raul Espinosa (President- Fairness In Procurement Alliance) Reggie Clyne Esq. (Past President, Wilkie D. Ferguson Jr., Bar Association) Orson Aguilar (Director, Greenlining Institute) Johnson Ng (Executive Director, United Chinese Association of Florida) Val Dagani (Founder, Filipino American Coalition of Florida) Doug Mayorga (President, Florida Minority Chamber of Commerce) Rolando Sanchez-Medina, Esq. (Immediate Past President, Cuban American Bar Association) Nydia Menendez, Esq. (President, Puerto Rican Bar Association) Jorge A. Mestre, Esq.(Hispanic National Bar Association) Kerth J. Conze, Esq. (President, Haitian Bar Association) Jay Kim, Esq. (Asian Bar Association) Dr. Rubio Armesto (President, Cuban American Publisher's Federation) Tomas Lares (Coalition of Latino Central Florida Faith Based Organizations) Glorious J. Johnson (Council Member, City of Jacksonville) Vicente Rodriquez (Hispanic Publishers Federation) Dorothy Hughes (President, Gateway Economic Empowerment Coalition) Maria Benton (President, Spain in Jacksonville) Eddie Stanton (President, Mad Dads Inc.) Romeo De La Paz (Chair, Filipino American Foundation) Dr. Mel Cabronell (Asian American Chamber of Commerce-Jacksonville) Lita Martija (Filipino American Coalition of Florida) Noli Vianzon (President, Fil-Am Council of Jacksonville) Romy dela Paz (Chair, Florida's Space Coast Filipino American Charitable and Educational Foundation, Inc) Bennie Trinidad (COO, NANAY, Inc) Evelyn Bruce (Director, NANAY Housing Resource Center) Jay Gogalija (Director, Cambodian American Community Services) Ernie Ramos (Chair, Fil-Am Political Alliance of Florida) Karen Nguyen (President, Asian American Heritage Council) Pedro Gonzales (Chairman, Bataan Corregidor Memorial Foundation, Osceola Co.) Julienann Cruz (President, Bayanihan International Ladies Assoc., Seminole Co.) Erlinda Rodas, President, Filipino-American Assoc. South Orange & Osceola Co, Osceola Co.) Alex Guzman (Commander, Knights of Rizal, Orange Co.) Naty Ordon (President, Ladies for Rizal, Orange Co.) Ayesha Covington (President, Jacksonville Brooklyn Neighborhood Association) Malik Ali (President, Florida Minority Supplier Development Council)