



Enterprise Bank to expand activities in low income communities

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Enterprise Bank & Trust will invest more than \$3 million in minority and low-income communities as part of a voluntary settlement agreement with the Metropolitan St. Louis Equal Housing Opportunity Council, a nonprofit fair housing group.

The council announced the settlement at its offices in St. Louis Tuesday. The settlement follows a complaint the council filed with the U.S. Department of Housing and Urban Development, alleging Clayton-based Enterprise's lending practices violated fair housing laws. Enterprise's planned investment over the next three years settles the complaint lodged with HUD in June 2010.

In the St. Louis area, Enterprise will invest \$350,000 in affordable housing developments, \$150,000 on advertising and marketing in African-American and Hispanic communities, \$1.5 million for a discounted mortgage loan program and the bank will expand its financial literacy programs.

Enterprise will also expand its assessment area to include the city of St. Louis and open a bank branch at its administrative support center on Warson Road in St. Louis County, which is located in a predominately minority census tract, bank officials said Tuesday.

Jerry Mueller, a senior vice president at Enterprise, said the bank has historically focused on business lending, and the new mortgage program and other efforts will help expand its consumer residential lending to minority applicants.

"We're proud of our record in community development lending given our business model, but we also understand that there is a need for additional resources for residential lending in the city and areas where there are majority minority populations," Mueller said.

As part of the settlement, Enterprise will deposit \$1 million with the Central Bank of Kansas City, a minority-owned bank that invests in distressed communities.

The council's staff has spent the past two years talking with local bank officials about providing increased financial services in low-income neighborhoods to help reach "unbanked" households - those without a checking or savings account. According to a 2009 Federal Deposit Insurance Corp. study, the St. Louis metro area has the highest percentage of unbanked black households in the country, at 31 percent.

"These disparities are unacceptable for our community," EHOC's Executive Director Will Jordan said Tuesday.

Beginning in 2009, EHOC analyzed local banks' lending history through the Home Mortgage Disclosure Act, which requires lending institutions to report public loan data.

Two other local banks, Midwest BankCentre and First National Bank of St. Louis, each announced in the past year that they would open new branches and expand investment in low-income areas after EHOC's staff met with bank executives to persuade them to increase their investments in low-income and minority communities. Both banks' new branch announcements came after EHOC filed complaints with federal agencies in 2009 alleging unfair lending practices.

"This represents the beginning of needed change in the banking industry," Elisabeth Risch, EHOC's education and research coordinator, said of the banks' investments.