



**Neighborhood Assistance Corporation of America**

*Panel 5*

**Bruce Marks**  
Chief Executive Officer

**Rev. Graylan Scott Hagler**  
Development Director

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**FOR IMMEDIATE RELEASE**

Wednesday, July 9, 1998

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**NACA, NATIONAL NON PROFIT ACTIVIST GROUP, TESTIFIES IN SUPPORT OF  
THE NATIONSBANK MERGER WITH BANK OF AMERICA**

The Neighborhood Assistance Corporation of America ("NACA") a national housing services and advocacy organization that has lead high profile fights against discriminatory and unfair lending and mortgage scams will be testifying today before the Federal Reserve Bank of San Francisco in support of the merger of NationsBank and the Bank of America.

[Attached is the letter of support from NACA Executive Director Bruce Marks.] "The \$350 Billion community reinvestment program put forward by NationsBank/Bank of America", states Bruce Marks, "is unprecedented and will insure that individuals and communities that have been denied access to credit will now have access to funds on terms they can afford. NationsBank/ Bank of America will in fact become the nation's largest private sector affordable housing developer and primary lender to low and moderate income people and communities."

Accompanying Marks are homeowners who have benefited from the variety of housing services and programs provided by NACA, and funded by NationsBank. These homeowners are traveling to San Francisco to show the tremendous impact of NationsBank's community investment program.

- First-time homebuyers: Carolyn and Freddie Hawkins, Charlotte NC and Naomi Martin of Washington DC.
- Purchase-rehab homebuyer: Mayo Funderburg of Atlanta, Georgia.
- Refinance from predatory loan: Genie McNab of Decatur, Georgia.

NACA began in 1988 in Boston and has expanded nationwide providing the best mortgage program for working people: no downpayment, no closing costs, no fees and free comprehensive housing services. NACA was in the forefront of the campaign against Fleet Finance's predatory lending. After a 4 1/2 year war and extensive exposure in national media, Fleet committed over \$8.5 Billion to low and moderate income people and communities. NACA is currently leading a high-profile campaign against lending abuses by Ford Motor Company and its lending subsidiary, Associates Financial, the country's largest home equity lender. NACA's research and reports have been featured on all three major networks.

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Phone: 617-250-NACA (6222) • Fax: 617-250-6262  
Unfair Lending : 1-800-96-SHARK • Housing Services : 1-888-302-NACA



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**Mr. A. Linwood Gill, III**  
Federal Reserve Bank of Richmond  
701 E. Byrd Street  
Richmond VA 23219

Tuesday, June 30, 1998

Dear Mr. Gill,

Please consider this letter in support of the merger of NationsBank and Bank of America particularly as it relates to the principles of the Community Reinvestment Act. As you know, the Community Reinvestment Act was designed to insure that all communities and individuals have access to credit.

With that in mind, one can only commend the commitment extended to low and moderate income communities by NationsBank and Bank of America. While both institutions have had strong track records in the area of community reinvestment their most recent proposal is extraordinary.

This \$350 Billion community reinvestment program is unprecedented. This institution will in fact become the nation's largest private sector developer of affordable housing and the primary lender to low and moderate income people and communities. While this proposal may sound too good to be true on paper, NationsBank's track record of follow-through and speedy completion of their previous substantial commitments demonstrates that such proposals are backed with action.

This current commitment encompasses the full range of financing that is necessary for neighborhood and community stabilization. Thus there are considerable funds for affordable housing development, support for mortgage financing, as well as monies for small business development. It is truly a program offering access to credit for people and communities that have historically been denied such opportunity. For as we know, the life-blood to any community's fiscal and economic health is access to credit.

In any initiative the devil is often in the details. Looking at some of the details, however, we see an initiative that will provide billions of dollars for people who have been victimized by predatory lenders. Homeowners will be able to refinance a high rate or predatory loan at an interest rate of less than 7% with no points, fees or other costs. As you know, the rate for non-conforming loans is between 12% and 16%, with four to eight points, and other fees packed in (there are many examples of much higher rates, points, and fees). It is only a matter of time before many of these victimized homeowners face loss of their homes.

In addition to refinancing homeowners, the NationsBank/Bank of America reinvestment program will provide unbelievable home ownership opportunities for low

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and moderate income people and communities nationwide. The ability to purchase a home with no down payment, no closing costs, no application fee, no perfect credit, at less than 7% interest is incredible. This initiative will revolutionize mortgage lending throughout the country.

It is virtually impossible to put this \$350 Billion dollar initiative in context unless it is compared to programs of similar scope. The most obvious are the programs either sponsored or funded by the Federal Government. HUD has scaled down its commitment in this area and as our organization and others have pointed out, HUD is allowing mortgage brokers even greater regulatory freedom to exploit homeowners by failing to put regulatory teeth in its enforcement acts. Fannie Mae's guidelines, on the other hand, are so restrictive that low and moderate-income homebuyers, and buyers with untraditional credit are often excluded. The other regulatory agencies, particularly the Federal Reserve, have continued to show very little initiative in strictly enforcing the Community Reinvestment Act.

The reality is that NationsBank/Bank of America have begun to fill this void. They are doing far more for low and moderate-income people and communities than the Federal Government or any other lenders.

They need to be applauded and supported. The regulators need to approve the application immediately and get back into the business of regulating the many discriminatory and predatory financial institutions that prey on working people.

The proof is often in the results. Ask the tens of thousands of low and moderate income people who are already benefiting from what NationsBank is doing. They meet every Saturday around the country to begin the process of purchasing or saving their home. They gather in homebuyer workshops in Atlanta, Charlotte, Columbia, Jacksonville, Washington, Memphis, Baltimore and other cities. You need to listen to these low and moderate income people who understand firsthand the incredible opportunities provided by NationsBank and the combined NationsBank/Bank of America.

Please contact me should you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Marks", written over a white background.

Bruce Marks  
Executive Director

# THE WALL STREET JOURNAL.

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★ ★ ★ EASTERN EDITION

FRIDAY, FEBRUARY 11, 1994

CHICOPEE, MASSACHUSETTS

## Banking on Publicity, Mr. Marks Got Fleet To Lend Billions

Self-Styled 'Urban Terrorist'  
Won Battle on Redlining  
But Needs a New T-Shirt

By SUZANNE ALEXANDER RYAN  
And JOHN R. WILKE

STAFF REPORTERS OF THE WALL STREET JOURNAL  
BOSTON—When Fleet Financial Group Inc.'s troubles over community-lending issues were beginning, the Federal Reserve Bank of Boston arranged a meeting between top Fleet officials and Bruce Marks, the bank's toughest critic.

Although the Fed may have wanted to calm the waters, Mr. Marks wasn't interested. This was his ultimatum at the June 1991 meeting: If Fleet would fund his organization, the Union Neighborhood Assistance Corp., with \$20 million, Mr. Marks would go away. Otherwise he would keep up his campaign of bashing Fleet in the national media, opposing the bank's plans with regulators, and staging demonstrations wherever its top executives appeared in public.

"Up until now you have dealt with community activists," Mr. Marks said, according to minutes of the meeting. "We are urban terrorists."

Fleet rejected the ultimatum. Maybe it should have paid up. Yesterday it agreed to fund Mr. Marks's group not with \$20 million, but with \$140 million as part of a \$1 billion loan pool aimed at inner-city, low-income and small-business borrowers.

Mr. Marks appeared with his adversary, Fleet Chairman Terrence Murray, and a dozen senators and representatives in the glare of television lights in the U.S. Capitol. In a typical theatrical gesture, Mr. Marks produced a giant paper-mache hatchet and dropped it into a coffin, signaling an end to his extraordinary four-year campaign against Fleet.

Mr. Marks is one of a new breed of community activists who are expertly using federal community-reinvestment and fair-lending laws to hold banks' feet to the fire on their obligations to the poor. But

Mr. Marks's bare-knuckle tactics have sometimes seemed to Fleet officials to be motivated more by self-promotion and the advance of his small organization than by altruism.

Yesterday, Mr. Marks shook hands with Mr. Murray, and lauded him for his "bold and innovative" inner-city lending program. The last time Mr. Marks was in the Capitol, he wore a T-shirt with the word "Wanted" above a picture of Mr. Murray, and below, "Loanshark." He had come to Washington with some 400 members of the Hotel Workers' Union to crash a Senate Banking Committee hearing, filling the hearing room and singing gospel songs before the meeting began.

### Surprise Visits

That was just one of a string of outrageous stunts Mr. Marks staged to embarrass Fleet. Always flanked by militant union members, he has turned up at analysts' meetings, picketed press conferences and disrupted speeches. Two years ago, trying to head him off from speaking at the bank's annual meeting, Fleet attorneys scheduled a deposition of Mr. Marks at the same time as the meeting. Asked about the tactic, a Fleet spokesman said that "we just figured anyone with an ego that big could easily show up in two places at once." Mr. Marks ignored the deposition and tried to go to the meeting anyway, but was barred by Fleet security.

Fleet's new lending initiative marks victory in a four-year crusade for the slight, 38-year-old Mr. Marks, who grew up in comfortable Scarsdale, N.Y., and Greenwich, Conn.

Armed with the idealism of the 1970s and a master's in business administration from New York University, he went to work at the New York Federal Reserve, where his job included evaluating bank applications for mergers and acquisitions. But he says he was criticized by superiors for recommending that some proposals be turned down on grounds that the banks hadn't complied with federal Community Reinvestment Act rules. "I wasn't seen as a team player," says Mr. Marks.

He left that job convinced that banks weren't living up to their obligations to lend in the inner city. Mr. Marks soon found himself in Boston's gritty South End, trying to convince Domenic Bozzotto, tough-talking president of the Hotel Workers' Union Local 26, that the union should help its mostly low-paid, immigrant membership buy their homes.

"I threw him out of my office," Mr. Bozzotto says. "He was a yuppy in a suit. He looked like the young M.B.A.s who sit on the wrong side of the contract-bargaining table — someone who wanted to get a little taste of urban community service to round out his resume."

Mr. Marks wouldn't go away.

He plunged into union work, pressing Mr. Bozzotto to stress housing in contract negotiations. In 1988, the union won a landmark contract with Boston's booming hotel industry that created the Union Neighborhood Assistance Corp., a non-profit affiliate that disbursed small, no-interest loans to members to help them make down payments on homes.

Mr. Marks next turned his attention to redlining by banks in Boston's Roxbury, Dorchester and South End neighborhoods. He found that while major banks had little presence in those areas, they quietly backed small second-mortgage companies that lent money at sky-high rates. While Fleet wasn't the worst offender, Mr. Marks attacked the Providence, R.I., bank because it was about to buy the failed Bank of New England, putting it in the headlines and under regulatory scrutiny.

Mr. Marks found victims of second-mortgage companies and steered them to newspaper and television reporters. They ran heart-rending stories about people who had lost their homes because the banks backed unscrupulous second-mortgage lenders with usurious rates.

Mr. Marks turned his attention to Georgia, where Fleet's consumer-finance subsidiary in Atlanta was deeply involved in second-mortgage lending. In the face of charges by the Georgia attorney general of unfair lending, the subsidiary recently agreed to about \$105 million of concessions, including interest-rate reductions and new loans. A Georgia class-action suit with 14,000 plaintiffs alleging predatory lending is scheduled for trial later this month. Last June, Fleet won a related case in Georgia's Supreme Court. But the court blasted Fleet anyway, saying its loan practices "are widely viewed as exorbitant, unethical and perhaps even immoral."

Fleet took the extraordinary step of attacking Mr. Marks in its 1992 annual report. "Activists in Boston, looking to advance their own narrow agenda, made accusations about our lending practices," the report said, adding that one activist had persuaded the CBS News show "60 Minutes" to run a critical story.

Fleet says that in the face of all the criticism, it reviewed all of its lending practices and "to avoid even the perception of wrongdoing" halted the purchase of such loans from third parties.

For Fleet's Mr. Murray, the last straw may have been when Mr. Marks's shock troops showed up, uninvited, at a Boston business-club breakfast last October where

Mr. Murray was speaking. Union members sat at every table and noisily stood up to pass out protest flyers.

Exasperated, Mr. Murray agreed to a meeting. Three days later, Messrs. Marks and Murray met for the first time for a three-hour talk. "I came away feeling he took our issues seriously," Mr. Marks says. By mid-December, Mr. Marks's group had drafted a written agreement. Fleet "could have gone for a media moment, a quick-fix for the television cameras. Instead, what they've put together is a shining example for the entire industry," Mr. Marks says.

The agreement announced yesterday includes \$7.2 billion to be lent to new low- and moderate-income borrowers under existing federal programs. It also includes \$800 million in new programs aimed at inner-city borrowers, including the \$140 million to be handled by Mr. Marks's organization, which will hire 12 new staffers and begin finding loan applicants for Fleet in Massachusetts, New York, New Jersey, Rhode Island and Washington, D.C.

One Fleet insider says some people in the bank thought it should have made peace with Mr. Marks earlier, but were repulsed by his tactics. "Fleet did nothing that wasn't common practice in the consumer-finance business," he says. "But we took the heat." By the time a deal was struck, the damage had been done to Fleet's reputation and the bank agreed to lend Mr. Marks's group seven times what he sought in 1991.

"There's no way this would have happened without Bruce Marks," says Mr. Bozzotto, the union chief. "You can't get someone's attention unless you're in their face. This was a David-and-Goliath situation, and David won this one."

—Angela Shah in Washington contributed to this article.



Bruce Marks



# The Atlanta Journal

6 Sunday, October 20, 1996

HOMEFINDER

The Atlanta Journal / The Atlanta Constitution

## Terms of new NACA loan program unbelievably good



JOHN ADAMS

**L**et's try to design the perfect home purchase.

First, it would involve a mortgage that requires no down payment. Not even a penny of your own money would have to go into the purchase. Then it would really be nice if there were no closing costs and no application fees. Furthermore, it would be just too good if we could get extended debt ratios for those of us who don't fit conventional guidelines. And to top it all off, could somebody offer this type of loan not just for the purchase of homes in good shape, but also for acquisition and rehabilitation projects?

This loan may sound impossibly good to you. It did to me, until I heard about the new program being offered by Neighborhood Assistance Corporation of America (NACA) in Atlanta.

This loan program is designed to help those who have reasonably good credit and are working but simply have not saved up the down payment. The theory is that if loan applicants will educate themselves on the budgeting process and submit to post-purchase counseling, they are less likely to default on their loan obligation. Therefore, while the lender is NationsBank, NACA administers the loan program from beginning to end.

To get the type of loan described above, you must pass a home buying

class and obtain one-on-one counseling about the responsibilities of homeownership. In addition, if you fall behind in your payments, NACA representatives will meet with you and try to get you back on track. Such post-purchase counseling has proven effective before in Atlanta, but most lenders aren't set up to react quickly to late payments from borrowers. As a result, it may be six months before a lender actually talks with a delinquent homeowner. By then, the financial hole may already be too deep.

As with most targeted lending programs, there are strings attached. These loans are intended primarily for first-time home buyers, although refinancings for debt consolidation and home improvement are allowed. You may not own other property, and you must live in the home you finance as long as you own it.

Also, you must make enough to qualify for the loan you seek, but household income is limited depending on the number of people living with you. Single-applicant income cannot exceed \$29,100, while a family of six can earn up to \$48,250. However, if your home falls within the "priority area," no household income limits apply. Some of the targeted areas are parts of Fulton County south of Ponce de Leon Avenue; most of DeKalb County south of College Avenue and inside I-285; Forest Park, East Point; and Hapeville. Maps of target and service areas are available from NACA.

*John Adams is a broker, investor and author on the subject of real estate. If you have a question you'd like to see answered, you can call 404-222-6670, or you can fax your question or comment to 404-373-0026. Adams can't respond to every question, but will answer as many as possible in this column.*

### Barriers to ownership

We know that there is a direct relationship between homeownership and wealth accumulation in this country. Yet one in three Americans continues to live in a home that the head of household does not own. The rest of us live in owned homes. We call that percentage the homeownership rate, and it has hovered around 66 percent for several years. The principal factor affecting the rate in the past has been interest rates. When rates drop, ownership rises, but only slightly.

Studies have shown that the No. 1 barrier to homeownership among Americans of low to moderate income is lack of funds for a down payment. Another major barrier is lack of information about the home buying process. This loan program addresses these barriers head-on and seeks to make it easier for anyone to own his own home. In addition, the loans are being offered at or below current market interest rates.

One interesting feature of this program is that NACA controls the entire home buying process. It provides buyer education and individual counseling, and even offers a buyer brokerage service to help purchasers find a home and negotiate a good deal. In addition, NACA offers rehab management services and post-ownership assistance if a borrower falls behind in mortgage payments.

Programs such as this one have been tried in the past, but never on such a scale. NationsBank has agreed to offer \$500 million in home loans nationwide. If you think you can take advantage of this initiative, call NACA in Atlanta at 404-377-4545.



Nearly 2,000 potential home buyers fill out applications at the NACA and NationsBank kickoff event at the Plymouth Congregational United Church of Christ in Northeast Washington on the Martin Luther King, Jr., Birthday Holiday. (Photo © 1996 JASON MICCOLO JOHNSON.)

## NATIONSBANK PITCHES IN TO HELP BLACKS REALIZE THE DREAM

NationsBank Corporation, headquartered in Charlotte, NC, recently announced it will provide \$500 million in affordable mortgages over five years that will benefit an estimated 10,000 low- and moderate-income home buyers. Qualified applicants will be able to purchase homes with no money down, no closing costs, and no application fees.

As part of the King Holiday celebration, close to 2,000 people

attended the kickoff event by NationsBank and Neighborhood Assistance Corporation of America (NACA)—the Boston-based non-profit group that negotiated with NationsBank to set up the program—to realize their dream of homeownership. The partnership represents the largest and most comprehensive reinvestment initiative in banking history.

"We all know that when Dr. King was cut down, he was ques-

tioning the economic alignment in this country," said Rev. **GRAYLAND ELLIS-HAGLER**, pastor of Plymouth Congregational United Church of Christ in Washington, DC, and NACA's development director.

"Homeownership is the stepping stone to economic empowerment," added **VICKIE B. TASSEN**, NationsBank senior vice president.

Potential borrowers from the District, Baltimore County, Prince George's County, Fairfax County, and Montgomery County are eligible to apply for homes in their area. "This program also is for people who are at risk of losing their homes," observed **BRUCE MARKS**, NACA executive director. "This program also can help people who have purchased dilapidated homes that are in need of renovation," he continued.

NACA's role in the NationsBank program is to educate and screen prospective borrowers. Education programs are designed to reduce the lender's risk of foreclosure and to foster homeownership by removing one of the biggest blocks to getting a mortgage—the high up-front costs. Its housing counselors, rehabilitation specialists, outreach coordinators, and buyer brokers offer home buyers comprehensive assistance

throughout the homebuying process.

NationsBank has been an industry leader in community investment and affordable mortgage initiatives, lending more than \$8.5 billion in the past three years in low- and moderate-income neighborhoods (\$2.9 billion in mortgages); developing innovative underwriting; providing credit education and counseling courses; and building relationships with community partners to increase homeownership.

NACA negotiated the program with NationsBank as part of a campaign against banks it accuses of discriminating against minorities in lending practices. Big banks say they are not racially biased in lending, but at least in part due to activist pressure, more banks have made commitments similar to NationsBank. NACA is currently in negotiations with Riggs National Bank to set up a \$30 million program that includes below-market interest rates and 2.5 percent downpayments.

For more information: NACA/202/328-6333.



Rev. **GRAYLAN ELLIS-HAGLER**, pastor of Plymouth Congregational United Church of Christ/NACA director of development, with NACA executive director **BRUCE MARKS** and NationsBank senior vice president **VICKIE B. TASSEN**. "Homeownership is the stepping stone to economic empowerment," Tassen told the crowd at Plymouth Congregational. (Photo © 1996 JASON MICCOLO JOHNSON.)

## NationsBank-NACA program helps poor home buyers get loans

By Rob Wells  
ASSOCIATED PRESS

NationsBank Corp. and a Boston-based housing group announced yesterday they will provide \$500 million in unusually flexible and inexpensive mortgages for home buyers in low-income urban areas, including Washington.

The agreement between the nation's fourth-largest bank and the National Assistance Corp. of America (NACA) is believed to be the largest commitment yet for such mortgages. The loans feature no down payments, no closing costs, no application fees and "liberal underwriting at a market rate."

"This is the best mortgage product in the country that meets the needs of working people," said Bruce Marks, executive director of the housing group.

NationsBank said that perhaps 10,000 families will get flexible loans to buy a home, refinance a mortgage or pay for home improvements. The program initially will be offered in Washington, Atlanta, Baltimore and Charlotte, N.C., where NationsBank is based, and will be expanded later.

Catherine P. Bessant, NationsBank's top community investment executive, said the program will help the bank lend more to inner-city residents.

"We're really excited and have a lot of optimism that we'll be able to expand the markets in which we do business," she said.

Other banks have made larger commitments for community lending, such as an \$18 billion initiative Chemical Banking Corp. and Chase Manhattan Corp. announced after they disclosed merger plans. But the NationsBank and NACA agreement is significant because its unusually flexible terms are designed for the working poor, said John Taylor, executive director of the National Community Reinvestment Coalition.

"It is one of the most major commitments ever in terms of who this money will be available for," Mr. Taylor said.

Separately, the Federal Reserve yesterday approved NationsBank's \$1.8 billion acquisition of Atlanta-based Bank South Corp. on a 6-0 vote. The acquisition, expected to close next month, will create the dominant bank in Georgia.

In 1994, Mr. Marks' group reached an agreement with Fleet Financial Group Inc. to market \$140 million of similar mortgages as part of a large community lending plan by the Providence, R.I.-based bank.

The agreement with Fleet came after an extended and bitter dispute over lending practices of

Fleet's finance company unit in lower-income neighborhoods. Mr. Marks, a self-described "banking terrorist," crashed Fleet's annual meetings and hounded its chairman at public speeches to push for more lending to low-income people.

He had no similar dispute in the NationsBank case.

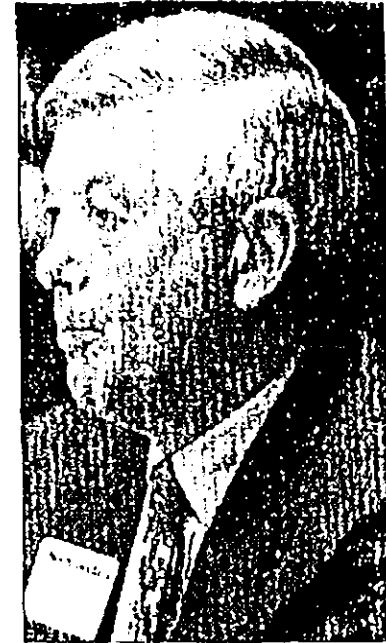
"We were not under any specific legal pressure to talk to Bruce," Miss Bessant said.

The deal announced yesterday was born Oct. 2 when Mr. Marks called NationsBank to request a meeting with Miss Bessant and Chairman Hugh McColl. Later that afternoon the two executives called back and agreed to negotiate a deal.

According to documents provided to the Associated Press, loan applicants won't be penalized if they've had numerous jobs as long as their income has remained steady throughout the period.

In an unusual twist, the loans are not covered by private mortgage insurance, which protects the lender if the borrower doesn't repay the loan. Housing activists have complained such insurance is too expensive.

Under the NACA loans, the borrower pays each month into a special loan fund called the Neighborhood Stabilization Fund, run by NACA in conjunction with neighborhood residents. The fund



Hugh McColl

makes emergency loans to help borrowers if they encounter emergencies such as temporary job loss.

NACA provides extensive counseling to ensure the applicants understand the obligations of buying a home. It also monitors home repairs to ensure the work is done correctly and within budget.

Mr. Marks said he's been running a similar loan program since 1988, and those loans "have not had one default and not one foreclosure."

Miss Bessant wouldn't discuss her analysis of the existing NACA loans, other than to say, "We satisfied ourselves that the performance is predictable and can be underwritten successfully."



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June 25, 1998

**TO:** Ms. Joy Hoffman-Molloy  
Community Affairs Officer  
Federal Reserve Bank of San Francisco  
Division of Banking Supervision and Regulation  
Mail Stop 620  
101 Market Street  
San Francisco, California 94105

**FROM:** Mr. Kermitt Waddell  
President/CEO  
Economic Development Center of the Carolinas  
800 Clanton Rd., Suite U  
Charlotte, North Carolina 28217

**RE:** Testifying in favor of the proposal by NationsBank Corporation,  
Charlotte, North Carolina, to acquire BankAmerica Corporation,  
San Francisco, California.

This letter is submitted in support of the merger between NationsBank and BankAmerica. My affiliation with NationsBank began in 1992 as a result of the partnership forged between the bank and the National Association for the Advancement of Colored People (NAACP). This was but one of the partnerships NationsBank entered into to help reach their goal of loaning one billion dollars over a ten year period to low to moderate income persons and small businesses. The goal was actually achieved within three years.

Under that partnership, I headed up the North Carolina NAACP Community Development Resource Center (CDRC) which opened in Charlotte in April 1992. In the following months other centers were opened in Richmond, Va., Columbia S. C., Atlanta, Ga., Fort Lauderdale, Fla., Austin, Tex. and Baltimore, Md. From 1992 thorough December 1996, the CDRC's facilitated over one hundred million (\$100,000,000.00) in loans through NationsBank. I am proud to say that the North Carolina center was responsible for over sixty-five million dollars (\$65,000,000.00) of that total. I left the NAACP CDRC in October 1997 to establish the Economic Development Center of the Carolinas (EDCC), a non-profit NationsBank partner. Since October 1997, the EDCC has over two and a half million dollars in loans closing to its credit with several million dollars in the pipeline.

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A NON-PROFIT NationsBank PARTNER

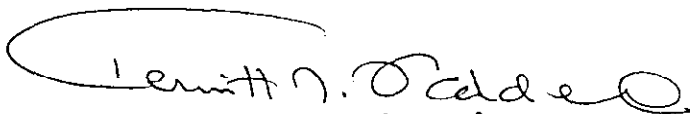


The purpose of the EDCC is to promote economic development through community development lending in partnership with NationsBank, community based organizations and other institutions. Our target population and the major beneficiaries of our efforts are those persons and communities which traditionally have been under served by the major lending institutions. We provide consultation, advocacy, and home ownership and small business education classes. Clients receive assistance in credit counseling, budgeting, asset management, business plan preparation and technical assistance. NationsBank provides the curriculum and classroom materials for the education classes.

It is from such first hand experience that I can confidently advocate for the merger of these banks. My staff and I have aggressively seized the opportunity offered by our affiliation with NationsBank, first with the NAACP and currently as the EDCC. Through our partnership, we have been able to assist clients who had never dreamed of owning a home to become homeowners. The bank has responded positively to many of our suggestions on how to better serve the community and several innovative changes have resulted that have proven of benefit to the community and to the bank.

The motto of the EDCC is taken from a Frederic Douglas quote, "The history of civilization shows that no people can or will rise to a degree of mental, or even moral excellence without wealth. A people uniformly poor and compelled to struggle for barely physical existence will be dependent and despised by their neighbors and will finally despise themselves." We appreciate the opportunity we have through NationsBank to affect so many lives in such a positive manner. There is no question in my mind that the merger between these two banks will only prove to be an even greater benefit to the greater community.

Very truly yours,

A handwritten signature in cursive script, reading "Kermitt N. Waddell". The signature is written in dark ink and is positioned below the typed name.

Kermitt N. Waddell  
President/CEO

# ***ECONOMIC DEVELOPMENT CENTER OF THE CAROLINAS***

## **PROFILE AND HISTORY**

*“The history of civilization shows that no people can or will rise to degree of mental or even moral excellence without wealth. A people uniformly poor and compelled to struggle for barely physical existence will be dependent and despised by their neighbors and will finally despise themselves.”.....Fredrick Douglas*

The Economic Development Center of the Carolinas (EDCC) was incorporated March 24, 1997 in the state of North Carolina and was granted recognition as an exempt entity under section 501 (a) of the Internal Revenue Code as an organization described in section 501 (c)(3). With the support of its primary partner NationsBank, the organization serves as a community outreach arm to assist the bank in accomplishing its goals under the Community Reinvestment Act (CRA).

The mission of the EDCC is to promote economic development among low to moderate income groups in an effort to improve the quality of life for all people. Particular focus is given to raising the consciousness level of our constituents to expect more of themselves and others around them. The EDCC offers Money Management, First Time Home Buyer and Business Success Education, Loan Facilitation, Technical Assistance, Individual Counseling and Advocacy. The major beneficiaries are those persons and communities which traditionally have been under served by the major lending institutions. However, because of the quality of service offered, our clientele includes persons from all social, economic and ethnic backgrounds.

The EDCC staff, Kermitt N. Waddell, Rose Marie Cotton, Norman T. Little and Carolyn G. Clyburn have had extensive experience working in the area of community and economic development. From April 1992 through October 1997, Waddell and Cotton operated the North Carolina NAACP Community Development Resource Center (CDRC) prior to starting the EDCC. The North Carolina CDRC is one of seven centers operated under a partnership between the NAACP and NationsBank. By the period ending December 31, 1996, the resource centers had facilitated over one hundred million dollars (\$100,000,000.00) in economic development loans through NationsBank. The North Carolina center alone was responsible for over sixty-five million dollars (\$65,000,000.00) of that total. Mr. Norman T. Little came to the EDCC from the Sickle Cell Disease Association. He is a former auditor for the State of North Carolina and has operated as a private accountant and business consultant. He serves on the boards of several neighborhood organizations involved in the revitalization of their communities. Ms. Clyburn is the former Administrative Secretary of the CDRC, with the EDCC, she will be working in the First Time Homebuyer Program.

The staff is proficient in providing training and counseling to its client base of businesses churches and consumers. Consumer counseling includes: credit, budgeting, mortgage application, home selection, home improvement, employment and income, civic and community involvement, and pride in self and family. We feel the in depth instruction and counseling has produced a more credit worthy and informed buyer. Undoubtedly, this directly accounts for the fact that our clients have experienced no defaults or foreclosures to date.

## ***KERMITT N. WADDELL***

Kermit N. Waddell is a native of Charlotte, North Carolina and a product of the Charlotte-Mecklenburg school system. He graduated from North Carolina A&T State University and North Carolina Central School of Law. His scholastic achievements included being selected a Herbert Lehman Foundation Scholar, President of the Senior Class (1970), North Carolina A&T State University and Whos Who in American Colleges and Universities. Sparked by his passion for community service and human rights, Mr. Waddell has distinguished himself in various career and volunteer positions.

Mr. Waddell established the Economic Development Center of the Carolinas, Inc. (EDCC), which was incorporated March 24, 1997 in the state of North Carolina and was granted recognition as an exempt entity under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). He currently serves as the President/CEO and with the support of its primary partner, NationsBank, EDCC serves as a community outreach arm to assist the bank in accomplishing its goals under the Community Reinvestment Act (CRA).

Previously, he served as the Director of Operations of the North Carolina NAACP Community Development Resource Center (CDRC). The office was one of seven established through a partnership with the NAACP and NationsBank. The CDRC acted as an effective delivery system for NationsBank's program and services to low to moderate income consumers and small businesses. Mr. Waddell views this as one of the most gratifying positions he has held, in that, results were tangible. Under his leadership, the North Carolina center has facilitated approximately \$60,000,000 in loans since 1992.

Mr. Waddell's past position as Special Assistant to the Regional Director, NE Region, US Bureau of Census during the 1990 census, led to his appointment to the National African American Advisory Committee for the Year 2000 Census. He currently serves as Chairman of the committee. Additionally, he currently serves on the N C Health Planning Commission Community Health District Advisory Committee, is Chairman, Board of Trustees, Laurinburg Institute, member, Charlotte Black Political Caucus, Omega Psi Phi Fraternity and International Omega Housing Committee. He was the first African American department head in Mecklenburg County government - leading the Office of Minority Affairs. His involvement with the NAACP has spanned fifteen years. In that time, he has served in such capacities as State Vice President and Chair of the State Legal Redress Committee. On a national level, he served as a member of the NAACP Economic Development Department's Fair Share Advisory Team.

Mr. Waddell is a member of St. Michael and All Angels Episcopal Church where he is a past Junior Warden. He also served on the Statewide Racism Task Force of the Episcopal Diocese of North Carolina. His numerous honors and awards include: the 1997 NationsBank President's Award and the NAACP's Torch of Freedom Award. His hobbies are public speaking, listening to music, reading, sports and sports cars.



Panel 5

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**STATE OF NEW MEXICO**  
**OFFICE OF CULTURAL AFFAIRS**  
***HISPANIC CULTURAL DIVISION***

P.O. Box 12317 • 87195  
1701 4th SW  
Albuquerque, NM 87102

July 9, 1998

Members of the Hearings Board  
Federal Reserve Bank of San Francisco  
Division of Banking Supervision and Regulation  
101 Market Street  
San Francisco, California 94105

Dear Board Members,

Thank you very much for allowing me to speak on behalf of the proposed acquisition of BankAmerica Corporation of San Francisco, California, by NationsBank Corporation of Charlotte, North Carolina.

My name is Edward Lujan. I am from Albuquerque and have been quite active in community affairs for both Albuquerque and the State for over 30 years. Presently I serve as the Chairman of the Economic Development Commission for the State of New Mexico and as Chairman of the New Mexico Hispanic Cultural Center Board.

Why do I support the acquisition of BankAmerica Corporation by NationsBank?

NationsBank has been in existence for 70 years, and as the bank grew it helped the city and the state grow, both with employee activities and its resources. I am

delighted to say that NationsBank has continued the tradition of what was originally Albuquerque National Bank.

**New Mexico Hispanic Cultural Center**

Time doesn't permit me to go over all of the employees of NationsBank who are active in the community but two come immediately to mind. David Baird, is President of NationsBank, New Mexico, and belongs to the Albuquerque Economic Forum, Albuquerque Economic Development Board and Leadership New Mexico. Alex Romero is Executive Vice President and Consumer Banking Executive. Alex belongs to the Hispanic Culture Foundation and also presently serves as Chairman of the Board of the Albuquerque Hispano Chamber of Commerce.

When it comes to economic development, NationsBank is right there helping with both their employees and their resources.

I previously mentioned that I was Chairman of the Board of the New Mexico Hispanic Cultural Center. A few of us started with the dream of building a national cultural center to share and preserve a unique culture for the nation. Our goal was to raise \$45 million for this endeavor. We started working by going to the State legislature and securing \$16 million in funding and creating a division within the Office of Cultural Affairs for the State of New Mexico. We went to the City of Albuquerque and to the Middle Rio Grande Conservancy District. The City gave us 16 acres in downtown Albuquerque, and the Conservancy District gave us 14 acres of *bosque* (or riverside land) bordering the land from the City. We went to see U.S. Senators Domenici and Bingaman and secured \$18.9 million in Federal funding for the performing arts theater.

Having secured the cooperation and funding from the City, the Conservancy District, the State, and the Federal government, we then went to the private sector for the additional \$10 million that is needed to complete the Center. Without our asking, NationsBank gave the Center the largest donation to get our private sector fund raising campaign underway.

I have also worked with the management of Bank of America and have found them to also be good corporate members of our community. Their history and their commitment to both the cultural aspects and economic vitality of our great state says to me that as one bank they will continue to be involved.

I wish to wholeheartedly endorse the acquisition of BankAmerica Corporation by Nations Bank Corporation.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward L. Lujan". The signature is fluid and cursive, with a large initial "E" and "L".

Edward L. Lujan, Chairman  
NM Hispanic Cultural Center Board