

 NATIONAL URBAN LEAGUE

Hugh Price,

NATIONAL URBAN LEAGUE'S PRESIDENT HUGH B. PRICE
TESTIMONY
IN SUPPORT OF NATIONS BANK/BANK OF AMERICA APPLICATION
FOR MERGER

FEDERAL RESERVE BOARD OF SAN FRANCISCO

JULY 9, 1998

Good day, my name is Hugh B. Price, I am the President of the National Urban League (NUL) headquartered in New York City. Founded in 1910, the NUL was formed to assist African Americans making the transition from the rural south to the northern industrial cities. During this period in American history, African Americans were fighting Jim Crow laws and other post reconstruction policies. In order to overcome the poverty that was a result of these exclusionary policies, the NUL developed programs to enhance employment, education and housing opportunities.

Today, the mission of the Urban League movement is to help African Americans and other people of color become economically self-reliant and equal citizens under law. Building on the substantial work and influence of our 115 affiliates, our three-pronged agenda is to:

- Ensure the academic and social development of children so that they are equipped for self-reliance and citizenship in the 21st century;
- Promote racial inclusion and harmony so the opportunity structure is open to those we serve; and
- Foster economic self-sufficiency for our constituents through gainful employment, business development and homeownership.

Through our economic self-sufficiency agenda the NUL has developed partnerships with various financial lending institutions like NationsBank. As a result of these relationships, the NUL is in a keen position to discuss an institution's record of performance and commitment to serving communities of color.

The NUL supports the NationsBank and Bank of America application to merge. We have a long history of partnership with NationsBank. Throughout this partnership, we have seen NationsBank demonstrate its commitment to ensuring that African Americans and others of color have access to credit and reside in communities that are economically viable. I would like to highlight five examples that evidence NationsBank's record of performance.

First, NationsBank's President for Community Initiatives, Cathy Bessant, testified before the Senate Banking committee chaired by Senator Alphonse D'AMato's with advocacy and community groups in support of both strengthening and maintaining the Community Reinvestment Act (CRA). It was unique to find a leading financial lending institution willing to sit on the same panel with advocacy groups and offer complimentary testimony on behalf of enhancing the CRA. This act by NationsBank alone demonstrates the bank's courage and commitment to extending credit to those who have been traditionally neglected.

Second, NationsBank's commitment to the prevention and eradication of differential treatment at the branch level. Through its mystery-shopping initiative, NationsBank conducts self-testing at the branch level to detect patterns of differential treatment by its employees. We think that NationsBank's interest in policing itself demonstrates foresight, and that is another reason why the NUL supports NationsBank's application to merge.

Third, NationsBank made a commitment to lend \$10 billion over the next 10 years to underserved communities. Within a four-year period, NationsBank had not only met its commitment, but exceeded it by providing \$13 billion to

traditionally neglected communities. We are sure that the new bank will exceed its \$350 billion commitment to underserved communities.

Fourth, NationsBank pledged to provide \$25 million to Community Development Financial Institutions (CDFIs) through its own CDFI fund. Again, NationsBank showed courage and commitment when it announced the establishment of its CDFI fund on the same day that President Clinton signed the federal CDFI fund into law. It was NationsBank's view that their fund would complement the federal government's effort to finance CDFIs. We viewed that NationsBank's announcement of the \$25 million CDFI fund as another sign of its commitment to increasing access to credit for traditionally underserved communities.

Fifth, NationsBank held BluePrint 2000. Blueprint 2000 was a convening of nearly 500 community leaders from 111 urban and rural communities across the country. The event served as a retreat and think tank for community groups to seriously ponder their neighborhood's development opportunities.

Finally, let me add that NationsBank has been very aggressive in advancing African American executives up the ladder to positions of profit-

and-loss responsibility for major business units. Its impressive track record could be and should be emulated by other financial institutions.

We look forward to seeing the enlightened philosophy of NationsBank extend throughout the entire footprint of the new bank.

We believe that the new bank offers the opportunity for unprecedented economic growth in the communities that Urban Leagues serve. As a result, the new bank will create new venues for venture capital, enhance the level of mortgage credit to low income areas, and revitalize economically distressed neighborhoods, making the regions served by this entity more viable and prosperous. To this end, the League will share with executives of the bank its ideas on how the newly-constituted bank can enhance credit and economic opportunities for African Americans as well as those with low incomes. We look forward to working with the new bank to address the economic issues facing our constituency and enthusiastically support their application for merger.

African Methodist Episcopal Zion Church

Eastern North Carolina Episcopal District

Panel 7
July 9th

The Right Reverend George E. Battle, Jr.
Presiding Bishop

Mrs. Iris Miller Battle
Missionary Supervisor

I stand before you today a Bishop in the African Methodist Episcopal Zion Church, a denomination with a membership totaling more than 3.5 million people worldwide headed by the Board of Bishops, of which I am a member, including: Bishop Cecil Bishop, Bishop George W. Walker, Sr., Bishop Milton A. Williams, Bishop S. Chuka Ekemam, Sr., Bishop Joseph Johnson, Bishop Richard K. Thompson, Bishop Enoch B. Rochester, Bishop Marshall H. Strickland, Bishop Clarence Carr, Bishop Nathaniel Jarrett, and Bishop Warren M. Brown. It is with great pride that I relish the opportunity to extol the virtues of NationsBank, an organization with which I can relate back almost a quarter of a century. Under the leadership of Hugh McColl, NationsBank has not only done well for itself but it has done well for all the areas in which it has flourished. I'm not here to testify as to what NationsBank has done around this great country, but in the region nearest and dearest to my heart, the Charlotte-

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Mecklenburg Metropolitan Area.

As you probably already know, the Charlotte Metropolitan Area with its population approaching 2 million, is one of the fastest growing areas of the United States. I have lived in Charlotte since 1974 and have watched it and NationsBank grow exponentially. My first interaction with NationsBank came in 1975, when I was the pastor of Gethsemane A.M.E. Zion Church and founded the Gethsemane Enrichment Program. The Gethsemane Enrichment Program was established as and still remains a program for underprivileged children in the Charlotte area, which provides after school and summer supplementary academic support, enrichment activities, and personal growth opportunities. Currently, 500 children participate in this program which has been nationally recognized by President Bush and the U.S. Department of Housing and Urban Development and locally recognized by two governors of North Carolina and numerous

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other state and local organizations.

However, before the recognition and the success of the program, NationsBank, then North Carolina National Bank, was a strong corporate partner in the effort to get it off the ground. Hugh McColl, then president of what is now NationsBank, donated a desperately needed bus to the program on behalf of the bank. This bus enabled us to get the Enrichment Program off the ground, by providing a means of transportation for children whose families often did not have cars to get their children to the program. Since then, NationsBank has contributed hundreds of thousands of dollars to the program, three brand-new large capacity vans, and the help of hundreds of other local businesses who saw NationsBank's example and followed its lead.

This type of community involvement is indicative of the kind of corporation NationsBank is. When many corporations were asked to help, they answered with a standard, "What's in it for

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us?” NationsBank answered, “How can we help make the program a success?” There was nothing in it for NationsBank. None of the people involved with starting up the program, including myself, could have offered the bank anything of value. Most of the children’s parents we served had either negligible or no business with the bank. NationsBank invested because it felt that this program would be good for the community, period. It is this kind of farsighted leadership that has enabled NationsBank to be where it is today as a corporation, and Charlotte to be where it is today as a community.

Additionally, I have personally seen NationsBank at work in three other situations. A few years ago at Livingstone College, a small, historically black institution in Salisbury, N.C. a town about 30 miles north of Charlotte administered by the A.M.E. Zion Church, NationsBank gave a \$7 million dollar loan with an interest rate far lower than even the best market rates. Before

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receiving this loan Livingstone was facing dis-accreditation by the regional accreditation committee for institutions of higher learning. NationsBank's loan not only enabled Livingstone to correct the things it needed to correct for re-accreditation, but also gave it the money it needed to make much needed improvements to the school's physical facilities and academic programs.

In a similar vein, NationsBank granted a \$500,000 low-interest loan to Clinton Junior College, another A.M.E. Zion Church-administered school to help it with re-accreditation. Clinton is located in Rock Hill, South Carolina a town 20 miles to the south of Charlotte. Clinton was really struggling until the loan from NationsBank gave it new life.

Here in California a short while ago, an A.M.E. Zion church was burned down. Today, that church is rebuilt largely due to the surreptitious efforts of NationsBank in giving and obtaining

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financing on low-interest loans.

Many of my colleagues on the Board of Bishops could give numerous examples of the instances in which NationsBank has granted loans to churches in their areas. Churches which could not get loans previously, just based on the fact they were in “undesirable” areas, were extended loans by NationsBank, thus enabling thousands of people the privilege of worshipping in their own communities. Without NationsBank, these parishioners would never have been able to enjoy the privilege of worshipping in their communities like millions of other human beings.

These are but a few examples of NationsBank’s corporate community activism. The revitalization of downtown Charlotte, contributions to the arts, funding for low-income housing, funding for churches in so-called “undesirable areas” and support for the public schools are other examples of the pots in which NationsBank has its super-philanthropic fingers. Many of its

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endeavors go unpublicized, but as I mentioned earlier, NationsBank is not a “what’s in it for me corporation.” Under the wise leadership of Hugh McColl and the ever-accessible NationsBank management team, the bank has seemed to come to the realization that like a domesticated fish, a company can grow no bigger than the bowl it is in. If that bowl is kept in good condition, good things are put in and the bowl is kept clean the fish will grow and flourish. In a community, if it is kept in good condition, investments made in its people and infrastructure, and the blights of poverty and ignorance are combated, the company will grow and flourish.

I highly recommend the merger between NationsBank and BankAmerica and can say with confidence that the vast majority of my colleagues on the Board of Bishops endorse it as well. It is understandable why some will be leery of it. I mean the prospect of a coast-to-coast banking is unprecedented, but the

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opportunities that will be created in communities all over this country will far outweigh any apprehensions created by the creation of this benevolent giant. I have nothing personally to gain from testifying on behalf of NationsBank today, in fact I am on the state board of directors for First Union, one of its chief competitors. However, I and my colleagues believe there is something to be gained for the lives of the communities and individuals affected by this merger if they are even blessed with a percentage of the activist spirit exhibited by Hugh McColl and NationsBank.

In closing, NationsBank is a model corporate citizen and from what I've read and heard about BankAmerica, it seems like the old adage stating "birds of a feather flock together" is true. As a representative of the Board of Bishops of the A.M.E. Zion Church, a citizen of the Charlotte area, and a private individual, I give, for whatever it is worth, the highest endorsement to this

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marriage of two giants of finance and corporate conscience.