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July 24, 2014

Office of the Comptroller of the Currency  
Attn: Louis Gittleman  
District Licensing  
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Denver, Colorado 80202  
Louis.Gittleman@occ.treas.gov

Re: Opposition to Banc of California's proposed acquisition of Popular Community Bank  
(Banco Popular) branches and request for public hearings

Dear Mr. Gittleman:

The League of United Latin American Citizens files these comments in opposition to the proposed acquisition of 20 Popular Branches by Banc of California (Banc). We call for the OCC to hold hearings on Banc's application and deny its application until a strong CRA plan is in place. There is precedent for this type of regulator action. In recent mergers by PacWest Bank and Umpqua Bank, both the FDIC and the Federal Reserve facilitated CRA Plan transparency. We expect that the OCC will do no less.

To allow a bank merger or acquisition to move forward without BOTH a long, public record of reinvestment in the community, AND without a strong CRA plan would set a dangerous precedent for the entire state and the rest of the country. The repercussions for low income communities and communities of color would be widespread. How can bank regulators and affected communities determine that a bank merger will provide a public benefit if there is no history of the bank servicing its communities, and no public plan demonstrating how it intends to do so? Community groups and the regulators should expect, and hold bank applicants accountable to demonstrate, a track record of performance and a strong plan to serve community credit needs, not a spike in investments and contributions during the time of a merger application. Because of this precedent setting decision pending with the OCC, we join organizations from across the state in urging the OCC to deny Banc of California's application until a strong CRA plan is in place. We are not prepared to take a "leap of faith" that the Banc has an adequate plan in place.

LULAC is the largest and oldest Hispanic Organization in the United States. LULAC advances the economic condition, educational attainment, political influence, health and civil rights of Hispanic Americans through community-based programs operating at more than 900 LULAC councils nationwide. The organization involves and serves all Hispanic nationality groups, including immigrant communities.

The merger is of particular concern because Banc of California fails to provide enough details related to CRA qualifying activity in its application to acquire Popular branches. The bank's application does not include plans for future CRA qualifying activity, and except for one recent investment, does not provide a history of the bank's record of CRA qualifying community development lending, investments, or contributions.

Popular's business model has focused on meeting the banking needs of a largely Latino, Asian, and immigrant customer base. Preserving this focus is especially important given that Popular

has served communities that have been historically underserved by financial institutions. While 7% of Popular deposits come from branches located in low income census tracts, 0% of Banc's deposits come from branches in low income census tracts. Even more strikingly, only 25% of Banc of California's branches are located in majority minority zip codes, while 85% of Popular branches are located in majority minority zip codes.<sup>1</sup> Given that Banc of California's business model has NOT historically focused on a minority or low income customer base, more specifics related to historical and planned CRA activity by Banc are especially important.

For Banc of California to take over Popular's presence in these communities, it must be prepared to provide needed services in a fair and CRA-compliant manner. In historically underserved communities, where trust of financial institutions is already low, a public CRA plan can provide the foundation for the building of trust, partnerships, and ultimately a successful business model.

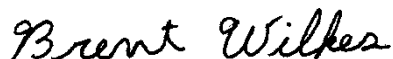
Given the lack of information related to CRA activity provided in Banc's application and given its ongoing refusal to provide the public with a plan for its CRA activity, we are concerned that the bank does not have a strong CRA program in place and that it will fail to meet the credit and CRA needs of these communities. Although we applaud Banc of California's recent investments in Clearinghouse CDFI and its financial literacy partnership with the University of Southern California, a strong CRA Plan with clear benchmarks is still warranted. CRA plans provide a level of transparency to communities on a bank's planned CRA activities and inform affected communities and regulators about how the Bank intends to meet community need in the future, and not just before a merger application.

CRC and its members hope to help Banc succeed at serving community needs. If Banc of California has a strong plan to serve the community, it should be proud to share it. We urge the OCC to hold public hearings to solicit input from underserved community members and to ensure that this input informs a meaningful CRA Plan that identifies and addresses local community needs.

We applaud the OCC for requiring greater notice about the proposed merger to local Spanish speaking communities and for extending the comment period. But Asian communities have not received meaningful notice to the communities served by Popular Community Bank. Both Los Angeles and Orange County, where many of Popular's branches are located, have a rich diversity of ethnic press that serve the area. The Chinese Daily News, The Korea Times, the World Journal, and other Asian newspapers have wide circulation in the communities served by Popular. In order to provide meaningful opportunity for input by this historically underserved population served by Popular, we are requesting more targeted outreach by Banc in the Asian community and an equitable 30 day comment period following publication.

Currently the bank's record is not sufficient for the OCC or the public to determine whether or not the bank will meet the community's credit needs, and we ask that the OCC deny the bank's application. If you have any questions about this letter, or wish to talk further, please feel free to contact me my staff Ulises A. Gonzalez, at [UGonzalez@LULAC.org](mailto:UGonzalez@LULAC.org) or (916) 551-1330

Sincerely,



Brent Wilkes  
LULAC National Executive Director

Cc: California Reinvestment Coalition

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<sup>1</sup> <http://www.city-data.com/>