



# Empire Justice Center

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[www.empirejustice.org](http://www.empirejustice.org)

January 29, 2016

Nadine Wallman  
Vice President  
Federal Reserve Bank of Cleveland  
1455 East Sixth Street  
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**Via email: [comments.applications@clev.frb.gov](mailto:comments.applications@clev.frb.gov)**

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**RE:** Application by KeyCorp, Cleveland, Ohio; to acquire First Niagara Financial Group, Inc., Buffalo, New York, and thereby indirectly acquire First Niagara Bank, NA, Buffalo, New York.

Dear Ms. Wallman, Ms. Irving and Ms. Polanco-Boyd:

Thank you for the opportunity to submit comments on the application by KeyCorp to acquire First Niagara Financial Group and First Niagara Bank (FNFG). **Empire Justice Center is very concerned about KeyCorp's proposed acquisition of First Niagara, and urges the Federal Reserve and the OCC to only approve the merger after KeyBank signs a strong CRA plan that includes strong commitments to New York communities.**

Empire Justice Center is a non-profit legal services organization with offices throughout New York State in Albany, Rochester, the Hudson Valley and on Long Island. Our mission is to protect and strengthen the legal rights of people in New York State who are poor, disabled or disenfranchised through: systems change advocacy, training and support to other advocates and organizations, and high

quality direct civil legal representation. Our Consumer, Finance and Housing unit has a long history of working with homeowners in default and foreclosure and with consumers on economic justice issues. We are a member of the National Community Reinvestment Coalition (NCRC), lead the Greater Rochester Community Reinvestment Coalition (GRCRC) and participate in the Community Development Alliance of the Capital Region. Our more detailed comments are incorporated in comments submitted through those groups.

KeyCorp's acquisition of FNFG raises a myriad of concerns that are common in bank takeovers. Above all, we are concerned about ensuring lending and services are accessible and available to low and moderate neighborhoods and citizens. This merger will result in a loss of competition where FNFG has had its strongest presence in New York, particularly in the Capital Region and Buffalo. This merger must not result in the loss of accessible, walk-up branches particularly in low and moderate income neighborhoods. KeyCorp has not had a great record of locating branches in these neighborhoods and must do better to serve those communities. Checking and saving account products must also be developed to cater to these communities. KeyCorp must provide low fee options with the ability to get paper statements, recognizing that many low income households still do not have in-home computers.

Lending practices must also meet the needs of these communities. Homeownership is critically important and KeyCorp must adopt the favorable programs currently used by FNFG, and invest more deeply in products that meet the needs of the community. At a minimum, with all lending and investment from this point forward, KeyCorp must commit to provide the sum of what KeyCorp and FNFG currently invest and grow from there. KeyCorp has already committed to adopting the mortgage servicing practices of FNFG which is a good start but it also must improve on these practices and ensure that KeyCorp always fully complies with New York and national laws and regulations.

Regarding community development investment and charitable giving, KeyCorp similarly should start at a baseline of maintaining its current levels and those of FNFG in every community in New York State. In order for community development investment to be meaningful, however, it will be critical for KeyCorp to have a deep understanding of the needs of each region. In some regions, KeyCorp has not been as engaged with local communities as FNFG and we are very concerned about the loss of both local civic engagement, as well as local decision making. KeyCorp has committed to creating a national advisory council which will only be effective if NCRC and local community groups are provided a say in who is appointed to that council, and if the CEO and top level executives engage with the council. In addition, KeyCorp should create state and even regional advisory council which meet with KeyCorp executives several times a year.

Finally, we want to highlight that although KeyCorp has met with concentrations of groups in strong municipal centers, Empire Justice represents all New Yorkers outside of New York City including those in rural communities. These communities cannot be forgotten, especially because in some communities, KeyCorp will be the only bank in town. KeyCorp's final plan must include specifics for how they intend to address the needs of citizens in smaller cities, towns and rural communities throughout New York State.

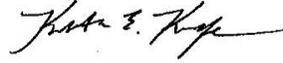
As stated above, these concerns and others we will set forth in further detail through the comments being submitted through the coalitions and groups with which we work. We appreciate meetings KeyCorp representatives have engaged in with us in Washington D.C., Rochester and Albany and expect these meetings to be but only a first round of engagement with folks living and working in

the local communities. We urge the Federal Reserve and the OCC to require a strong CRA plan from KeyCorp that is acceptable to community groups before the merger is approved.

Sincerely,



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Senior Attorney



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