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**Empire Justice Center and Local Advocates Announce Agreement with KeyBank
As KeyBank Acquires First Niagara Bank, the Agreement Commits KeyBank to Investing
Millions in Upstate Communities**

Today, local housing, lending and consumer advocates were breathing a collective sigh of relief and expressing support for KeyBank's announcement last week of its commitment to invest \$16.5 billion in low and moderate communities over the next five years. Why the sigh of relief? Advocates in Rochester, Albany and other upstate communities, have been very worried since November when KeyCorp, the parent of KeyBank, announced it was acquiring First Niagara Financial Group and First Niagara Bank.

"Bank mergers generally hurt low and moderate income communities. Mergers often result in less investment, decreased services and fewer jobs for the impacted communities, particularly medium-sized cities like Rochester and Albany," said Kirsten Keefe, a senior attorney in Empire Justice Center's Albany office. "So, we were heartened when Key's CEO, Beth Mooney, and senior executives met with advocates in DC, and then the senior executives traveled across upstate New York to hear from advocates and community organizations about their experiences with KeyBank and First Niagara."

"This community benefits plan shows the power of local coalitions like the Greater Rochester Community Reinvestment Coalition (GRCRC). KeyBank listened to our concerns and is willing to make a substantial financial commitment to support our region's low-moderate income families and communities and small businesses. GRCRC and its members will continue working with Key to ensure that this billion dollar commitment is made real thru actual loans to low and moderate income borrowers in the City of Rochester. The coalition will also try to assure responsible consolidation of overlapping branches and work with Key Bank to develop affordable smaller dollar mortgage and consumer loan products," noted Melissa Marquez, CEO of Genesee Co-op Federal Credit Union and founding member of GRCRC.

"The community benefits plan is a very significant victory for Rochester and for upstate New York communities. The infusion of millions of dollars for lending and community development in low to moderate income communities will be an important step for stabilizing neighborhoods devastated by the recession," added Ruhi Maker, a senior attorney in the Rochester office of Empire Justice Center, and co-convenor of GRCRC.

As part of the plan, KeyBank expects to invest approximately 35 percent (\$5.8 billion) of its total \$16.5 billion commitment in the combined First Niagara/KeyBank footprint (i.e., the five current overlap

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markets and the four markets that will be new to KeyBank), including the Rochester, Albany, Buffalo and Syracuse markets.

KeyBank's five-year \$16.5 billion commitment includes:

- \$5 billion in residential mortgage lending to low and moderate income borrowers and communities, double its current five year level;
- \$2.5 billion in small business lending in low-moderate income areas, an increase of 32%;
- \$8.8 billion in community development lending and investments; and
- \$175 million in philanthropic grants and investments.

"We're very happy to see KeyBank make this forward commitment to increase its mortgage lending and small business lending and to support the non-profits which are providing housing counseling and small business training and technical assistance in upstate New York," said Hubert Van Tol, Senior Director for Economic Development at PathStone Corporation.

The plan also includes a \$3 million product innovation fund to develop new products for urban and rural low and moderate income communities, with input from the community.

"Access to safe affordable financial products is an inherent component of stabilizing working families who are living paycheck to paycheck. We look forward to working with the local advisory council to make this happen in the Capital Region," remarked Louise McNeilly of the Affordable Housing Partnership in Albany.

In addition, Key has been working with regulators to address concerns of housing counselors about the loss of First Niagara Bank as a member of the Federal Home Loan Bank of New York.

"We are hopeful that Key will find an innovative way to maintain membership in the FHLBNY. If it does not work out, we are happy to work with Key to assure that Rochester and other upstate communities have the programs and products to support first time homebuyers," said Maureen Murphy, the Executive Director of NeighborWorks® Rochester, a GRCRC member organization.

GRCRC and the other upstate organizations worked in partnership through the National Community Reinvestment Coalition (NCRC), along with other NCRC member organizations from across the KeyBank and First Niagara footprints, to organize the meetings and craft the agreement.

"We owe Jesse Van Tol of NCRC a huge amount of gratitude for his hard work and persistence in making this happen," concluded Ruhi Maker.

A summary of the agreement and related documents can be found at www.empirejustice.org.

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ABOUT EMPIRE JUSTICE CENTER: *Empire Justice Center is a statewide, multi-issue, multi-strategy, public interest law firm focused on changing the "systems" within which poor and low income families live. Empire Justice protects and strengthens 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. Empire Justice has offices in Albany, Rochester, Westchester and on Long Island.*