



**GREATER ROCHESTER
COMMUNITY REINVESTMENT COALITION
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ROCHESTER, NEW YORK 14614**

October 8, 2020

Peter N. Wilde
Examiner in Charge, M&T Bank
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
Via email: Peter.Wilde@ny.frb.org

Re: Comments on M&T Bank CRA Exam

Dear Mr. Wilde:

We are writing to you on behalf of the Greater Rochester Community Reinvestment Coalition (GRCRC) to submit comments regarding M&T Bank's CRA Exam conducted by the Office of the Federal Reserve Bank of New York (FRBNY) for 2014 through 2019.

The Greater Rochester Community Reinvestment Coalition (GRCRC) was launched in 1993 to generate and continue discussions about lending patterns in Rochester. GRCRC, convened by Empire Justice Center, has met with numerous banks and state and federal regulators during CRA exams and mergers, and submitted dozens of data-driven comments to the appropriate state and federal regulators who have oversight of the banks. GRCRC, Empire Justice Center, and its predecessor organization Public Interest Law Office of Rochester, have released seventeen analyses of home mortgage lending, small business lending, and access to credit over the past 28 years. The organizations use data driven analyses to identify strengths and weaknesses in lending patterns and to generate discussions with the top financial depositories in the Rochester NY MSA.¹

In September, GRCRC held two virtual meetings with M&T to review its CD loans, investments and grants, its mortgage lending, and its small business lending performance. We also shared how the COVID-19 pandemic and the recession are affecting families and businesses in this

¹ Our most recent analyses are “#AllTogetherNow: Improving Small Business Lending in the Rochester NY Community” (found at: <https://empirejustice.org/wp-content/uploads/2018/01/alltogethernow-s.pdf>) and “Too Big to Fail...Too Poor to Bank: How Mainstream Financial Services Can Help Low-Income Working Families Succeed” (found at: <https://empirejustice.org/wp-content/uploads/2018/09/Access-to-Credit-Report-2018-FINAL.pdf>).

community, and M&T touched upon some of its product offerings and some initiatives in which staff is participating in the Rochester community.

We shared a draft of our comment letter with M&T for any clarifications or updates. This letter incorporates much of the information shared at our two meetings as well as any relevant information, updates or clarifications provided by the bank before October 8th.

M&T Bank is very important to the Rochester metropolitan area. It is the largest depository institution serving the area. As of June 30, 2019, M&T had \$3.76 billion in deposits at its 29 offices in the Rochester area and almost 20 percent of the market.² (See Table 1 in Appendix.)

These comments focus on three areas:

- M&T's HMDA/Mortgage Lending
- M&T's CRA Small Business Lending
- M&T's Reinvestment of Deposits into the Community, Response to Community Needs and Opportunities for Investment

M&T BANK'S HMDA LENDING IN MSA and UNDERSERVED COMMUNITIES

Our lending analysis focuses on originated loans. We examine lending from 2014-2018 to align with the lending exam period.

This section on M&T's HMDA lending is divided into the following categories:

- Total number loans and total dollar volume mortgage lending,
- Home purchase loans
- M&T's lending compared to its peers

M&T Bank's Total Mortgage Lending

Total Loans

In 2018, M&T originated 782 mortgage loans (1st lien loans on owner-occupied, 1-4 family site-built units) in the Rochester MSA compared to 646 loans in 2014, an increase of 21 percent.³ (See Table 2 in Appendix A). Between 2014 and 2017, M&T's total loan originations declined each year, only recovering in 2018.

² From the FDIC Market Share 2017 Report, as found at: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>

³ Empire Justice Center uses the HMDA LAR Raw data on the FFIEC website (through 2016) and the Static HMDA LAR data from the CFPB website (2017 and 2018).

As seen in Table 2, while there was a **21 percent increase** in the total number of mortgage loans made by M&T in the Rochester NY MSA between 2014 and 2018, its lending in two categories decreased (to Black/Latino households) or increased at a rate lower than the MSA (city). It did increase at rates higher than the MSA for low-moderate income households and census tracts and majority nonwhite census tracts. Between 2014 and 2018, M&T's lending:

- Increased by 17% in the city.
- Decreased by 14% among Black/Latino households.
- Increased by 25% among low-moderate income households.
- Increased by 25% in low-moderate income census tracts
- Increased by 33% in majority nonwhite census tracts (50% or more nonwhite residents).

M&T has a strong, consistent record in distributing good proportions of its lending to the various targeted areas in the Rochester community, except for a decline in loans to Black/Latino households (see the bottom section of Table 2). And its distribution of loans significantly exceeded the average for all financial institutions (AFI) in every category. Of the 782 loans M&T made in 2018,

- 17% were in the city, compared to 17% in 2014, and 10% for AFI
- 11% were to Black and Latino households, compared to 16% in 2014, and 8% for AFI
- 51% were to low-moderate income households, compared to 50% in 2014, and 37% for AFI
- 16% were in low-moderate income census tracts, same as 2014, and 12% for AFI
- 10% were in nonwhite census tracts, compared to 9% in 2014, and 5% for AFI

M&T reviewed its numbers for total loans to Black & Latino households in 2014 versus 2018. The bank found 98 loans in 2014 and 90 loans in 2018, compared to Empire Justice calculations of 103 loans in 2014 and 89 loans in 2018, as found Table 2. Empire Justice went back and checked its 2014 numbers and again got 103 loans to Black and Latino households (1st lien loans on owner-occupied site-built units). Reasons for the differences could be either the data used and/or how race/ethnicity is calculated. Empire Justice used the HMDA Raw LAR data through 2016 and the static raw data in 2017 and 2018. Empire Justice also calculates its own categories for race/ethnicity, through 2017 combining the race and ethnicity variables for the applicant (Hispanic=all Hispanics of any race; Black, White and other categories=non-Hispanic/missing ethnicity of that race), and using a complicated categorization method with the new 2018 race and ethnicity categories for both the applicant and co-applicant.

Total Dollar Volume Lending

In 2018, M&T Bank originated an aggregate of \$96.2 million in total mortgage lending (1st lien loans on owner-occupied, 1-4 family site-built units). As seen by Table 3 in Appendix A, this was \$16 million or 20 percent more than the bank's dollar volume of lending in 2014.

M&T's total dollar volume of lending increased in almost every other category as well, and at rates of increased lending exceeding the 20 percent increase in the Rochester MSA as a whole. Between 2014 and 2018, M&T's dollar volume of lending **increased by**:

- 21% in the city.
- 26% among low-moderate income households.
- 37% in low-moderate income census tracts
- 54% in nonwhite census tracts.

However, the bank's dollar volume of lending to Black/Latino households **declined** by \$1.4 million or 16%.

Except for lending going to Black/Latino households, M&T maintained or saw slight increases in the proportion of its dollar volume of lending going to most areas of the Rochester community between 2014 and 2018 (see bottom section of Table 3).

Of the \$96.2 million M&T originated in the Rochester MSA in 2018,

- 14% went to the city, compared to 14% in 2014
- 8% went to Black and Latino households, compared to 11% in 2014
- 37% went to low-moderate income households, compared to 35% in 2014
- 11% went to low-moderate income census tracts, compared to 10% in 2014
- 7% went to nonwhite census tracts, compared to 5% in 2014

When comparing M&T Bank to all financial institutions (AFI) in 2018, M&T's distribution of its dollar volume of lending to all areas of the Rochester community was better than that of AFI.

M&T Bank's Home Purchase Lending

Home Purchase Loan Originations

We also analyzed M&T Bank's home purchase originations (1st lien loans on owner-occupied, 1-4 family site-built units). As can be seen by Table 4 in Appendix A, M&T originated 388 home

purchase loans in the Rochester NY MSA in 2018, a **decrease** of 129 loans or 25 percent from 2014.

While not as steep as the MSA decline, M&T's home purchase lending in all other areas of the Rochester community also declined between 2014 and 2018. Between 2014 and 2018, the number of home purchase loans originated by M&T **decreased** by:

- 11% in the city.
- 23% among Black and Latino households.
- 16% among low-moderate income households.
- 7% in low-moderate income census tracts.
- 7% in nonwhite census tracts.

Even though its home purchase lending decreased, M&T increased the proportion of its loans going to the different parts of the Rochester community between 2014 and 2018 (see bottom section of Table 4). Of the 388 home purchase loans made by M&T in 2018,

- 24 percent were in the city compared to 20 percent in 2014
- 19 percent were to Black and Latino households compared to 18 percent in 2014
- 60 percent were to low-moderate income households compared to 54 percent in 2014
- 23 percent were in low-moderate income census tracts compared to 19 percent in 2014
- 14 percent were in minority census tracts, compared to 11 percent in 2014

We also compared M&T's distribution of home purchase loans to that of all financial institutions (AFI). M&T's 2018 distribution far exceeds the average for AFI in every part of the Rochester community.

M&T Bank's Mortgage Lending Compared to Its Peers

GRCRC believes in the importance of comparing the lending of a bank to its peers. As M&T is the largest bank in the Rochester area, we compare its lending to the next seven largest banks in the Rochester MSA. In 2018 M&T **ranked first in deposits** in the Rochester MSA, with almost **20 percent of the market**, so these might be considered benchmarks as well.

Total Mortgage Lending Compared to Peers

Our first comparison is of the total number of mortgage originations by the top 8 banks (1st lien loans on owner-occupied (principal and secondary), 1-4 family site-built units). As seen on Table 5 in Appendix A, M&T originated 782 mortgage loans in 2018, making M&T the second lender among the top 8 banks, substantially behind Canandaigua National Bank, the top lender at the

MSA level. M&T's 4 percent Rochester MSA mortgage loan market share is substantially lower than its 20 percent depository market share, and the bank's second place ranking among the top 8 banks is lower than its first place depository market share ranking.

One way a depository can demonstrate its CRA commitment to a community is by maintaining market shares in the various target communities similar to or greater than its overall MSA market share (middle part of table). M&T market shares in the various Rochester communities substantially exceeded its MSA total loan market share of 4 percent in every category, putting M&T 1st in market share in 4 out of the 5 categories. In 2018, M&T had:

- 8% of the market in the city, and ranked 1st among the top 8 banks.
- 7% of the market among Black and Latino households, and ranked 2nd among the top 8 banks
- 6% of the market among low-moderate income households, and ranked 1st among the top 8 banks
- 6% of the market in low-moderate income census tracts, and ranked 1st among the top 8 banks.
- 9% of the market in nonwhite census tracts, and tied for 1st among the top 8 banks.

M&T's distribution of its total lending among the various communities or categories significantly exceeded the average distribution of the area's top 8 banks in every category (bottom part of table).

Dollar Volume Lending Compared to Peers

In 2018, M&T Bank made \$96.2 million in mortgage lending in the Rochester MSA, capturing 4 percent of the market and ranking second among the top 8 depositories in the Rochester MSA. (See Table 6 in Appendix A.) This is substantially less than its depository marketshare and less than its depository market share ranking.

Among Rochester's various markets, M&T had a dollar volume lending market share of:

- 8% in the city, and ranked 1st among the top 8 banks.
- 5% among Black and Latino households, and ranked 3rd among the top 8 banks
- 6% among low-moderate income households, and ranked 2nd among the top 8 banks
- 6% in low-moderate income census tracts, and ranked 2nd among the top 8 banks
- 10% in nonwhite census tracts, and ranked 1st among the top 8 banks

GRCRC is pleased that M&T's dollar volume market shares in all the various markets exceeds its depository or MSA lending market share, and that all but one of its market share rankings match or exceed the MSA ranking.

M&T's distribution of its dollar volume of lending among the various Rochester community categories was significantly larger than the average distribution of the area's top 8 banks.

Home Purchase Lending Compared to Peers

M&T Bank made 388 home purchase loans (1st lien loans on owner-occupied (principal and secondary), 1-4 family site-built units) in the Rochester MSA in 2018. This corresponds to 4 percent of the market, making M&T the second largest home purchase mortgage lender among the top 8 banks in the Rochester area. (See Table 7 in Appendix A.) M&T's 4 percent of the MSA market is substantially less than its depository market share.

M&T's home purchase loan market shares in all community categories were substantially larger than its Rochester MSA market share of 4 percent, and the bank ranked 1st or 2nd among the top 8 banks. M&T had a home purchase lending market share of:

- 9% in the city, and ranked 1st among the top 8 banks
- 8% among Black and Hispanic households, and ranked 2nd among the top 8 banks
- 6% among low-moderate income households, and ranked 2nd among the top 8 banks
- 7% in low-moderate income census tracts, and ranked 2nd among the top 8 banks
- 10% in minority census tracts, and ranked 2nd among the top 8 banks

M&T's distribution of its home purchase loans to the various categories significantly exceeded the top 8 average distribution in every category. Citizens Bank and Five Star Bank sometimes exceeded M&T in certain categories in the percentage of loans they distributed to an area.

Conclusion: M&T's Mortgage Lending

GRCRC believes that traditionally underserved families and communities benefit more when they obtain mortgages from lenders with a local depository presence than from little-regulated mortgage companies or lenders with no local CRA obligations. It benefits both the borrower and the bank when borrowers develop additional financial relationships with their mortgage lender.

This is why GRCRC wants M&T to maintain its strong presence in the Rochester area mortgage lending market. We are concerned by the bank's decline in home purchase loan originations since 2014, particularly in the MSA and to Black and Latino households.

During one of our meetings, M&T told us that due to retirements of residential loan staff, M&T stepped up its hiring in 2019 and 2020, including two new loan officers for CRA lending in addition to the one CRA loan officer in the Rochester market. The bank also noted that it offered the First Home Club (FHC) Program via the Federal Home Loan Bank of New York from the mid-90s until the first quarter of 2019 when FHC was no longer offered and replaced with the Homebuyer Dream Program (HDP). According to the bank, the process and availability of HDP funds greatly reduces the number of low-moderate income homebuyers M&T can help on an annual basis with down payment and closing cost assistance.

M&T shared in its response to our draft letter that the bank has extensive long-standing relationships with local housing related non-profits to continue its outreach efforts to LMI homebuyers. Examples of those relationships include NeighborWorks Community Partners Rochester, Ibero, NCS, PathStone, Urban League of Rochester and Consumer Credit Counseling Services. [All of these organizations are GRCRC members; and many have shared about their relationships with M&T below.] M&T's year-round support and participation in housing initiatives like Celebrate City Living provide an opportunity for bank products and services to be shared with those seeking homebuyer information.

M&T also shared that the residential mortgage market place continues to offer a very competitive environment, and this is fueled by the continued growth of non-bank lenders. In 2018 for example, 5 of the top 10 mortgage lenders in the Rochester MSA were non-bank lenders. GRCRC looks forward to updates from M&T on how this work and investment in new staff are addressing these challenges and impacting its mortgage lending.

M&T BANK SMALL BUSINESS LENDING

CRA Small Business Lending

Table 8 in Appendix A shows M&T Bank's CRA small business loans and dollar volume of lending from 2014 to 2018

Number of Small Business Loans

M&T originated 903 small business loans in the Rochester MSA in 2018, putting it 7th among all institutions making small business loans. The bank's 2018 lending was essentially unchanged (1% decrease) from 2014, and after a decrease from 2014 to 2017. Its small business loans to businesses in low-moderate income census tracts was also unchanged (1% decrease). M&T increased the number of loans of \$100,000 or less it made, as well as these loans to businesses in low-moderate income census tracts, loans to smaller businesses (with gross annual revenues less than \$1 million) and loans to these smaller businesses in low-moderate income census tracts.

In 2018, M&T made:

- 164 loans to businesses in low-moderate income census tracts, a decrease of 1% from 2014
- 567 loans of \$100,000 or less, an increase of 44% from 2015
- 101 loans of \$100,000 or less to businesses in low-moderate income census tracts, an increase of 38% from 2015
- 472 loans to businesses with gross annual revenues under \$1 million, an increase of 42% from 2014
- 79 loans to businesses with gross annual revenues under \$1 million in low-moderate income census tracts, an increase of 52% from 2014

M&T compared favorably to all financial institutions (AFI) in 2018 in its distribution of small business loans to the different categories. M&T's distribution was better than that of AFI with respect to distribution of loans in every category in the Rochester MSA. M&T also increased the proportion of its loans to businesses with gross annual revenues under \$1 million from 37% in 2014 to 52% in 2018.

Dollar Volume of Small Business Lending

In 2018, M&T did over \$154 million in small business lending in the Rochester MSA and maintained its #1 rank among all lenders in dollar volume lending from past years. As seen at the bottom half of Table 8 in Appendix A, this, however, is one-third of the lending done in 2014. M&T's dollar volume of small business lending also declined to businesses in low-moderate income neighborhoods. The bank maintained or increased its dollar volume of lending with respect to loans of \$100,000 or less, these smaller loans to businesses in low-moderate income tracts, and lending to businesses with gross annual revenues under \$1 million and to these smaller businesses in low-moderate income census tracts.

In 2018, M&T made:

- \$29.9 million in loans to businesses in low-moderate income census tracts, a decrease of 41% from 2014
- \$17.9 million in loans of \$100,000 or less, an increase of 2% from 2015
- \$3.7 million in loans of \$100,000 or less to businesses in low-moderate income census tracts, an increase of 16% from 2015
- \$39 million in loans to businesses with gross annual revenues under \$1 million, an increase of less than 1% from 2014

- \$8 million in loans to businesses with gross annual revenues under \$1 million in low-moderate income census tracts, an increase of 26% from 2014

M&T matched or exceeded all financial institutions in 2018 in every category of lending with respect to its distribution of its dollar volume of lending. The only area where M&T's distribution of lending declined from 2014 to 2018 was in dollar volume of lending to businesses in low-moderate income tracts.

M&T Bank's Small Business Lending Compared to Peers

As with the mortgage lending, we compare a bank's small business lending to its peers, the other depositories with the greatest market shares in the Rochester NY MSA. We compare their market shares for 2018. Table 9 in Appendix A compares the small business loans, dollar volume lending and market shares for the Rochester MSA's top 8 banks for 2018.

Number of Loans Market Share

In 2018, with 903 loans, M&T captured 5 percent of the small business loan market in the Rochester MSA, making M&T the 7th largest small business lender among all small business lenders, and 4th largest among the top 8 banks, in terms of number of loans. (See top part of Table 9.) M&T met or exceeded its overall MSA market share of 5 percent in loans to businesses with gross annual revenues under \$1 million and in loans to these smaller businesses in low-moderate income tracts, but not in loans to businesses in low-moderate income tracts. In 2018, M&T had a market share of:

- 4.8% among businesses in low-moderate income census tracts, making M&T 5th among the top 8 banks
- 3.4% in loans of \$100,000 or less, making M&T 5th among the top 8 banks
- 3.2% in loans of \$100,000 or less to businesses in low-moderate income census tracts, making M&T 5th among the top 8 banks
- 5.7% among businesses with gross annual revenues under \$1 million, putting M&T 3rd among the top 8 banks
- 5.6% among businesses with gross annual revenues under \$1 million in low-moderate income census tracts, putting M&T 5th among the top 8 banks

Dollar Volume Lending Market Share

In 2018, with \$154 million in lending, M&T captured 20.5 percent of the dollar volume of small business lending in the Rochester MSA, making it the largest dollar volume lender among all lenders and among the top 8 banks. (See the bottom half of Table 9.) M&T's market share in

dollar volume of lending in low-moderate income tracts and to businesses with gross annual revenues under \$1 million in low-moderate tracts almost met or exceeded its overall MSA market share of 20.5 percent, and is similar to its depository market share of 20 percent. Its market share of 16.7 percent of dollar volume of lending to businesses with gross annual revenues under \$1 million fell short of the bank's MSA market share. In 2018, M&T captured:

- 21.4% of the dollar volume of lending to businesses located in low-moderate income census tracts, placing M&T 1st among the top 8 banks
- 7.4% of the dollar volume of lending for loans of \$100,000 or less, placing M&T 3rd among the top 8 banks
- 8% of the dollar volume of lending for loans of \$100,000 or less to businesses in low-moderate income tracts, placing M&T 4th among the top 8 banks
- 16.7% of the dollar volume of lending to businesses with gross annual revenues under \$1 million, placing M&T 2nd among the top 8 banks
- 19.8% of the dollar volume of lending to businesses with gross annual revenues under \$1 million located in low-moderate income census tracts, placing M&T 1st among the top 8 banks

Note that in 2018, M&T's average small business loan size was \$170,850, the second highest average loan size after Five Star Bank. Still, this is M&T's smallest average loan size among any of the exam years (see Table 8). This drop in average loan size corresponds to the increase in the percentage of its loans of \$100,000 or less, from 47 percent in 2015 to 63% in 2018.

During one meeting with the bank, M&T told us that in June of 2018, the bank introduced a small business credit card with loan amounts as low as \$2,000. This likely explains the increased loans of \$100,000 or less, and probably the jump in 2018 in loans to businesses with gross annual revenues under \$1 million. M&T believes the card should help drive even more activity with smaller businesses and over time decrease the bank's average loan size. M&T noted that in 2018, 7 of the top 10 small business lenders by volume had large credit card portfolios and the largest average loan size of those seven was \$31,000.

M&T Bank's SBA Lending and Market Share 2014-2018

Table 8a in Appendix A shows the number and dollar volume of Small Business Administration (SBA 7(a) Loan Program) loans made by all financial institutions and the top 8 banks through the Rochester Branch Office between 2014 and 2018.

As seen by Table 8a, the total number of SBA 7(a) loan program loans and dollar volume of those loans in the Rochester area over the period 2014-2018 peaked in 2016, then declined in 2017 and recovered somewhat in 2018. M&T Bank's SBA 7(a) lending and dollar volume

lending also peaked in 2016. Its number of loans did not recover by 2018, but its dollar volume of lending did recover somewhat. With respect to dollar volume of lending, M&T maintained a #1 or #2 ranking among all SBA lenders out of the Rochester office; however, its market share was never as high as it was in 2014. In 2018, M&T Bank captured less than 14 percent of the dollar volume of the SBA 7(a) Loan Program lending in the Rochester NY area, substantially less than the 21 percent it captured in 2014.

While M&T's SBA dollar volume market share ranking was consistently similar to its depository market share ranking, its SBA dollar volume market share of 14 percent in 2018 is substantially less than its depository market share.

In one of our meetings with M&T, the bank shared that it does a lot of 7(a) Express loans, which are generally smaller loans to smaller businesses. A quick review of the 2017 and 2018 reports shows that M&T made the second largest number of Express loans after ESL FCU in both years.

Small Business Lending Summary

In order to stabilize the economy, create jobs and build wealth in the Rochester community, area businesses need access to affordable, responsible credit. This is especially true now during the pandemic. GRCRC is pleased that M&T is the Rochester area's leading CRA and 1st or 2nd leading SBA small business lender.

M&T shared during one of our meetings that the bank has a 20-person small business team in the Rochester MSA, the largest of any bank. The bank also noted it now has a bundled product set with reduced fees for small businesses and that the team is starting to work with smaller businesses.

As seen below, sole proprietorships and other micro-businesses, particularly Black and Brown-owned businesses, are struggling to survive during the pandemic. We urge M&T to work with GRCRC members and the City of Rochester to see how its small business team can help these businesses and whether its product suite, as well as its relatively new small business credit card, need to be tweaked for the current economic climate.

M&T BANK'S REINVESTMENT OF DEPOSITS INTO THE COMMUNITY, RESPONSE TO COMMUNITY NEEDS AND OPPORTUNITIES FOR INVESTMENT

M&T Bank shared information with us about its local community development investments, grants and loans from September 2014 through December 2019.

In addition, several GRCRC members shared information with the bank and/or us on local community development needs, how M&T has worked with their organizations to address them, and suggestions on how M&T might help address emerging and ongoing needs.

Reinvesting Deposits into the Community

M&T Bank reinvested a total of \$1,057 million in CRA-eligible loans, grants and investments in the Rochester community between 2014 and 2019, the current CRA exam period. As seen in Table 10 (Table 10a) in Appendix A, this included:

- \$404.8 million in community development loans and investments and CRA-eligible grants serving primarily low- and moderate-income families, individuals and communities
- \$259.8 million in mortgage loans to low-moderate income households and/or in low-moderate income census tracts
- \$392.6 million in CRA small business loans to businesses in low-moderate income tracts and/or to businesses with gross annual revenues under \$1 million

According to the information provided by the bank, M&T reinvested:

- \$277.5 million in community development lending in the Rochester NY MSA, including \$224 million in the City of Rochester
- \$119.6 million in community development investments in the Rochester MSA, including \$110.3 million in the City of Rochester
- \$7.7 million in CRA-eligible grants, including \$2.5 million in the City of Rochester

Again, M&T invested a total of \$1,057 million in the Rochester MSA during the current exam period.

Taking the \$3.76 billion on deposit in Rochester area M&T branches in 2019, we estimate that M&T reinvested almost 28 percent of these deposits into the Rochester community during the entire exam period, for an annualized average of 5.6 percent. (See Table 10, Table 10c.)

Table 10c also shows that while M&T's deposits over the three exam periods on which GRCRC has commented have grown by 68% to \$3.76 billion in 2019, its annualized dollar volume of reinvestments in the Rochester community have declined by 11 percent. Moreover, the annualized percentage of deposits M&T has reinvested in the community has declined by almost one-half--from 10.6 percent in the 2008 exam period to 5.6 percent in the current exam period.

GRCRC is very concerned with M&T's substantially lower annual rate of reinvestment in the Rochester community during this exam period as opposed to earlier exams. M&T has been the largest depository in the Rochester MSA since 2012. M&T's 2019 depository market share was 19.6%, which is almost 5 points lower than the bank's 24.4% market share in 2014 at the beginning of this exam period. The bank's level of deposits has grown by 68% since 2007, despite an 11% decrease since its peak in 2017. This look at M&T's recent changes in deposits and depository market share is an attempt to understand the bank's lower rate of reinvestment in the Rochester MSA. It may be that the bank's concerns about deposit levels and depository market shares and other measures of business success has resulted in a lower prioritization of how it is reinvesting in the community.

We shared the tables and our concerns with M&T at one of our meetings. M&T responded that it appears that the numbers from the previous exam periods' Community Development Loan and Investments category also include balances on previous period activity that were outstanding at the beginning of the respective exam cycle. Those outstanding balances were not included for the current exam cycle because the FRBNY no longer looks at outstanding Community Development Loans as part of the exam review. As GRCRC does not have access to the outstanding CD Loan balances from the previous exam periods, we ask that the FRBNY look at those balances and take them into account when comparing changes in reinvestments over the 3 exam periods.

GRCRC asks that M&T find creative ways to expand its lending and investments, especially if the bank continues to expand its footprint. Our coalition has several members with expertise in community development who would be willing to work with the bank to find ways to reinvest in the community. We urge M&T to put a stronger focus on reinvesting in the communities in which it does business. GRCRC believes that such reinvesting is a way to increase a bank can increase its market presence.

Specific Community Development Activities

GRCRC members shared with us the following community development activities that M&T is currently supporting.

M&T Bank has partnered with **PathStone Enterprise Center** to provide technical assistance and business training to emerging and established small businesses in Buffalo-Erie County and Rochester-Monroe County.⁴ We used the funds they provided to launch a business training series called Tech Talks. Tech Talks is focused on helping main street businesses grow or launch their businesses online and covers topics such as brand development and social media, website development and ecommerce integration, and marketing strategies. GRCRC would appreciate

⁴ PathStone Enterprise Center's new website for the Buffalo area is at: <https://www.bizupbuffalo.org/>.

M&T continuing to support this program especially as brick and mortar businesses struggle to establish an online presence during and post COVID.

For decades, M&T Bank has been a steady and critical financing partner supporting the **Greater Rochester Housing Partnership (GRHP)** and **Rochester Housing Development Fund Corporation**'s single-family homeownership programs serving low-moderate income first-time homebuyers. M&T participates in a \$15 million acquisition and construction financing pool that support these efforts to redevelop vacant single-family homes in the City of Rochester for low-moderate income first-time homebuyers. Approximately 800 homes have been rehabbed through this (**HOME Rochester**) program through a series of participation loans. M&T also provides mortgages to the program's LMI first-time homebuyers. M&T has provided mortgages to 27 buyers over the past 5 years (totaling approximately \$1.8 million of investment). M&T has also been a key mortgage lending partner locally with GRHP and SONYMA on the **Neighborhood Revitalization Program (NRP)**, to provide grants of \$20,000 to low-moderate income buyers for renovation of vacant properties in the City of Rochester and Monroe County. According to M&T, the bank originated 19 applications in 2019 and originated 14 applications between January 1 and September 18, 2020. In addition, from the standpoint of nonprofit organizational support, M&T assisted GRHP with successfully securing a PPP Loan in response to COVID-19. GRCRC is pleased with the support and investments M&T has provided GRHP and RHDFC, and we hope it will continue. GRHP is a good source of logistical support in how to address the limitations of the LIHTC.

As a partnership between the City of Rochester and **CCCS of Rochester**, the **Rochester Financial Empowerment Center (FEC) Program** officially launched in February of 2020 shortly before the COVID pandemic lockdown. Through support from various funders, including M&T Bank, the program offers free, professional, one-on-one financial counseling as a public service. The FEC is an evidence-based model that was established by the Cities for Financial Empowerment Fund and has been replicated successfully in more than a dozen cities across the U.S. By integrating financial counseling into existing community services, the FEC connects with clients as they navigate existing programs. This has shown to produce increased outcomes for clients who are working towards economic independence including improved credit scores, decreased debt, and increased savings. Additionally, the integration of FEC counseling has bolstered other outcomes that partner organizations are seeking to achieve for their clients such as reducing recidivism. Even amidst the COVID crisis, the existence of the program has demonstrated both a deep need for financial counseling as well as demonstrable outcomes that participants achieve. To date the Rochester FEC has engaged over 500 clients providing over 1,300 counseling sessions while achieving 166 outcomes. In total, participants have worked to increase savings by \$138,000 and reduce their debt by \$178,000. This is incredibly telling given the average FEC client has a median household income of \$29,000 and non-mortgage debt of \$35,000 while possessing savings of only \$200. While the program is winding down its first year

of operation and entering year two, attention is being given to the development of sustainability for year three and beyond. As with most FECs, the vision is to build a foundation of both public and private funds in order to diversify opportunities. Given that the FEC delivers so strongly in areas that are crucial for financial institutions to meet CRA requirements (i.e. improved access to credit and banking products), we encourage M&T Bank to consider additional funding support for the FEC program for year three and beyond.

Community Investment Opportunities

Structural Racial and Income Inequality in Upstate New York

We first want to frame the need for consumer protections in the big picture context of rising income inequality. Incomes of working families have not kept up with rising housing, education, childcare and health costs. This has resulted in millions of Americans struggling to pay for basic necessities. Research released by the Federal Reserve Bank of New York in the fall of 2019 revealed that 60 million Americans don't have access to prime credit. They are not in the credit economy or have maxed out their credit. They cannot borrow from most mainstream financial institutions that only lend to borrowers with good credit.

Upstate New York had still not fully recovered from the financial crisis of 2008 when COVID-19 struck. Income inequality is exemplified in the post-industrial cities of upstate New York. The city of Rochester has the highest concentration of children living in poverty compared to cities of similar size in the United States. In 2019, Rochester came in dead last in a list of the country's 50 hottest job markets published by the Wall Street Journal.⁵

New Yorkers are feeling the financial strain of record high debt burdens, especially in upstate areas where poverty rates are some of the worst in the nation. The poverty rates in upstate cities such as Rochester (57%), Syracuse (56%), and Buffalo (53%), despite best efforts, show no signs of decreasing in any meaningful amount. Rural areas across upstate are also deeply affected by poverty. According to a recent study by Common Ground Health, the rural and urban areas of New York State with the highest rates of poverty were also the areas with the lowest life-expectancies. Not only does financial insecurity cost New York billions of dollars per year, it contributes to a public health crisis that cannot be ignored.

In 2017, the New York Federal Reserve issued a report on the credit profile of City of Rochester residents. The 2017 report looked at data at the ZIP Code level in the City of Rochester. This report found that more than 50% of City of Rochester residents had subprime credit. In some

⁵ <https://www.democratandchronicle.com/story/news/2019/03/10/rochester-worst-job-market-country-wall-street-journal/3089794002/> (updated 2020 information available at <https://www.wsj.com/articles/austin>)

ZIP Codes 50 -75% of city residents had subprime credit. These ZIP Codes are majority nonwhite.⁶

Most bank branches have left these neighborhoods. Working families making \$15-25 an hour can't pay all their essential bills on time. These families may also have monthly incomes that are volatile. They may not have paid sick leave or a guaranteed minimum of hours. They may not be sure how much money they will have at the end of the month. Given the high cost of housing, childcare, education and health care, the minimum wage and/or volatile incomes leave families in a situation where one or more bills are left unpaid. An unexpected car repair or medical bill throws their monthly expenses into crisis. Earlier research done by the Federal Reserve documents that 40% of Americans don't have \$400 in emergency savings.

There is structural mismatch between incomes and expenses. According to research from the Federal Reserve Board, the median Black family in the under 35 age group had only \$600 in wealth, compared with \$25,400 among young white families.⁷ This will result in a tsunami of defaults on loans, that will have a disparate impact on Black and Brown families.

Professor Lisa Servon documented the lives of working families who use check cashers and pay day lenders. Her book "The Unbanking of America" shows that working families make very complicated choices about using a check casher instead of their own bank.⁸

Empire Justice Center used her research to look at the underbanked in Rochester, New York. Our 2018 report "Too Big to Fail" found similar patterns in Rochester. Those who choose a check casher over their bank do so because their bank does not offer a product that fits into their lives.⁹

Banks don't serve the needs of such families. Bank products are designed for customers who have disposable income at the end of the month. When families don't have enough money to pay for essentials, an unexpected decline in income or an emergency expense results in a subprime score. Families turn to predatory products to pay rent so they are not homeless, to pay the car loan so they can keep their job, or to buy groceries so they don't go hungry.

Banks have a choice on how they process payments--to maximize short term profit or to create long term sustainability for both the bank and the customer. Even when a customer's bank book

⁶ <https://www.newyorkfed.org/data-and-statistics/data-visualization/community-credit-profiles/index.html#overview>

⁷ <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>

⁸ <https://www.lisaservon.com/>

⁹ https://empirejustice.org/resources_post/report-big-fail-poor-bank-mainstream-financial-services-can-help-low-income-working-families-succeed/

shows a balance, more and more banks choose the former, to clear deposits and charges so that the customer is hit by an overdraft fee.¹⁰

There is no shortage of predatory lenders, who know how to make enormous profits by selling high cost products to low-income borrowers. These products are set up for the consumer to fail and for the investors behind the products to make money. The interest rates are abusive and designed to be vastly profitable with no relation to the risk taken by the lenders. These loans are bundled into investment vehicles. The largest banks fund the companies that create and market these products.

Some federal and state regulators are finally starting to look at the systemic risk posed by these practices. We need to change the laws to stop these practices that result in enormous profits for corporations, and financial hardship or worse in the life of working families.

Consumer advocates have been raising these issues for decades. Now academics and regulators are beginning to appreciate the societal costs of poverty. Being repeatedly evicted and changing schools has enormous consequences on a family's emotional and physical health. We are finally moving from a mindset that blames poor people for their poverty.

We need to look at the laws and economic policies that perpetuate structural racism and keep communities segregated. We also need structural change to ensure that jobs pay a living wage. New York State must develop and foster an environment where affordable housing, health care, and quality childcare are a reality for all people.

Responding to the COVID-19 Pandemic

It is now clear that Black and Brown and lower-income communities are disproportionately suffering from the Coronavirus pandemic and its economic impacts. Empire Justice recently published an article showing that systemic racism, of which redlining is just one manifestation, created the conditions that lead to today's racial inequities in health outcomes, including the higher rates of COVID-19 cases and deaths of African-American and Latinx people and in Black and Brown communities.¹¹

It is also clear that the pandemic is not over, and that homeowners, renters and small businesses will continue to be negatively impacted from the economic fallout of physical distancing and periodic pandemic shutdowns.

¹⁰ <https://www.politico.com/news/2020/09/28/racial-wealth-gap-federal-reserve-422658>

¹¹ <https://empirejustice.org/news/covid-19-disparities-rochester-ny-legacy-redlining-city-frederick-douglass-susan-b-anthony/>

As a response to our draft letter, M&T shared the following:

- M&T, as a result of COVID, is currently in discussion with the City of Rochester seeking ways to further assist small businesses in the urban core most impacted economically by the pandemic and the recent destruction of businesses since the death of George Floyd. M&T continues to review its support of the various small business initiatives in the City of Rochester to ensure the bank is assisting in the most meaningful way to make a difference. The bank will keep GRCRC in the loop of its efforts.
- In 2019, M&T Bank launched Money Mentor Curriculum to provide financial education workshops consistently across its footprint. The workshops will provide education from Homebuying to Budgeting to Understanding Credit and Banking Basics. The sessions can be provided in partnership with community partners or as an individual M&T community effort. M&T is offering virtually to Rochester nonprofits with clientele interested in preparing for the homebuying process or learning about savings options amid COVID.
 - GRCRC asks that M&T work with the City of Rochester Financial Empowerment Center (FEC) and Consumer Credit Counseling Service of Rochester to see how this may fit in with what they are already doing to support consumers.
- M&T Bank has employed a variety of strategies to support its borrower in this challenging economic climate. This includes an M&T COVID webpage to assist customers experiencing hardships. Customers who do not have internet access are directed the Customer Contact Center 800 number. Another example of that is the Hardship Assistance Package that M&T has shared with GRCRC (see below re: this).

Forbearance

“Over just the past week, the number of mortgages in active forbearance plans plummeted by 147,000 or 4%, according to data from Black Knight. As of Tuesday, 3.8 million borrowers were still holding off their monthly payments; that’s 7.1% of all active mortgages. Of those, three-quarters have had their terms extended from the initial three-month program.”¹²

According to the Urban Institute Black and Hispanic homeowners have been hit harder than white homeowners by the pandemic and its economic fallout. As noted in its report, a US Census Bureau’s Household Pulse Survey, “conducted from July 16 to 21, [showed] nearly 21 percent of both Black and Hispanic homeowners missed or deferred the previous month’s mortgage payment, compared with 10 percent of white homeowners and about 13 percent of all homeowners with payments due. This gap persisted over the duration of all survey weeks, as

¹² <https://dsnews.com/daily-dose/09-07-2020/no-relief-for-three-million-plus-borrowers>

Black and Hispanic homeowners continue to be disproportionately burdened by the pandemic's impact on employment and financial stability.”¹³

M&T must monitor who is accepting forbearance plans. If a disproportionate number of low-moderate income and/or Black and Brown households are not in forbearance plans, M&T must work with foreclosure advocates to ascertain the obstacles and design an outreach plan. The plan must be centered in ensuring grassroots Not-for-profits led and staffed by Black, Latinx and Asian Americans are provided with the financial resources to get the word out to the communities they serve.

We also expect M&T to follow best practices in modifying loans during and following the COVID-19 pandemic, helping to preserve homeownership especially among People of Color, including Rochester's Black community. To do so urge M&T to do everything possible to keep as many people in their homes and avoid foreclosure. M&T should provide forbearance of up to 12 months, depending on the reasons for not paying, while staying in close contact with their borrowers. Following the forbearance period, loans should be modified to add all missed payments and any escrow (if necessary) as payments on the end of the loan. This additional balance should be interest free.

After the state and much of the country shut down in March, **Empire Justice Center** put together several sets of COVID-19-related resources for people, including one entitled “COVID-19 FAQ – NYS Foreclosure, Eviction, and Consumer Debt.”¹⁴ As a result of its research for this, staff members' ongoing support of homeowners facing eviction, and staff participation in state legislative hearings and on various local, state and national collaboratives, Empire Justice sent a letter to M&T in early September with additional concerns and recommendations around foreclosures and forbearance. A copy of this letter is in Appendix B.

In response to this letter and discussions at our meetings with M&T, the bank shared its Hardship Assistance Package (attached separately). Empire Justice Center reviewed this package, noting that it gives the homeowner multiple options including payment deferral and loan modification. This package could be a model for other lenders, so they could be offered to every homeowner.

Evictions

In the coming weeks and months, state and federal moratoria on evictions will come to an end. This will be followed by a wave of evictions, in which a large percentage of people who rent may become homeless or lose their housing stability. Evictions have been on hold for months during the COVID-19 pandemic, but rental payments have not.

¹³ <https://www.urban.org/urban-wire/six-facts-you-should-know-about-current-mortgage-forbearances>

¹⁴ https://empirejustice.org/resources_post/covid-19-faq-nys-foreclosure-eviction-consumer-debt/

A recent report prepared for the National Council of State Housing Agencies (NCSHA) summarizes that “Roughly 10 – 14 million renter households — home to 23–34 million renters — were behind on their rent by a total of roughly \$12 – \$17 billion as of September 14, 2020. These renters will owe \$25–\$34 billion by January 2021..., [and] up to 8.4 million renter households, which include 20.1 million individual renters, could experience an eviction filing.”¹⁵

Racial disparities have historically existed in numbers of evictions in New York and around the country, and this will be exacerbated by the current crisis. People of color have been the hardest hit financially by the pandemic and they make up a disproportionate share of the people who rent, so they will be most negatively impacted by the coming eviction crisis. Rent forgiveness is the only way that most of them will be able to remain in their homes.

M&T must work with landlords to mitigate the looming eviction crisis and improve housing stability in communities of color. Extended forbearances and, if necessary, special loan modifications must be made available to mortgage holders who are landlords and have lost income because their tenants have not been able to pay rent.

In addition, we urge M&T to provide additional financial support to the joint City of Rochester, Monroe County, and 7th Judicial District initiative to address evictions.¹⁶

Support for Black and Brown-Owned Small and Micro-Businesses

SW Street Liaison Office of the 19th Ward Community Association has been promoting COVID-19 financial assistance programs since March 31 to our neighborhood small businesses in southwest Rochester, most of which are Black and Brown. All but a handful are surviving the COVID restrictions, in large part due to the City of Rochester’s Business Emergency Retention Grant (BERG) - now approaching 600 applicants and still going. A similar but smaller assist was the \$100,000 KeyBank contributed to 20+ MBWE businesses via the **Urban League of Rochester**. Of the businesses the Street Liaison Office talked to, almost all declined using the PPP Loan and other forgivable loan opportunities. There are some interesting observations about cash injection for small businesses.

The Street Liaison Office identified about 125 businesses in the southwest quadrant, contacting them by visits, email, or US mail to their homes if their business was closed. The 125 businesses were identified as meeting the City's eligibility requirements for the BERG initiative: for-profit and located in a commercial facility (i.e., not a home occupation), ideally on a commercial corridor. Many are sole proprietors, the smallest of the small. They are predominantly owned

¹⁵ <https://www.ncsha.org/resource/current-and-expected-rental-shortfall-and-potential-eviction-filings/>

¹⁶ <https://www.monroecounty.gov/files/news/09.17.2020%20Eviction%20Assistance.pdf>

and/or operated by non-white men and women of varied ethnicities. The experience gave staff some insight into how and why businesses decided to seek one form of assistance over another, or none at all. They found that:

1. The most-favored small business financial assistance by far is the City of Rochester's newly created Business Emergency Retention Grant (BERG). It was created in March by the Mayoral Administration as a way to retain businesses, services and jobs. It started as a \$2000 grant but was increased to \$5000 as it became clear that problems would not be ending quickly. The grant covers any documented unpaid operating bills: rent or mortgage, RG&E, Internet, business phone, supplies & inventory purchases, etc. It's an outright grant, not a loan. Street Liaison staff had to keep repeating the prior sentence to the business owners. The application is relatively straightforward for a City program. At the end of the application and approval process a check arrives for the full amount of the documented need. No bank. No payback. No worry of claw-back for any reason, including failing the promised job retention. As of mid-September, the City has over 500 applications through or in the pipeline. It's literally saving hundreds of city businesses (and their worried landlords). The Street Liaison Office estimates that over 95% of the businesses are surviving.
2. The **Urban League of Rochester** and Key Bank offered and quickly gave out \$100,000 to just over 20 minority or woman-owned businesses. It too was an outright cash grant, accessible with a simple 2-page application and copies of bills due. Sadly, the program was hatched quickly on a Friday, and news about it never reached many eligible businesses before the application deadline the following Thursday. Street Liaison Office knows of one southwest business that received a \$4000 grant check. There may be others.
3. The PPP seems to have little appeal to small businesses for several reasons. It involves a bank. The application feels like a loan, because it is. There's word on the street that the money may have to be returned. One business is keeping the PPP money in savings - just in case. Several small businesses Street Liaison staff spoke to said the money wasn't worth the intimidating bank application process and the risk of something going wrong. To know if any of the 125 businesses surveyed applied for or received the PPP, the data on the less-than-\$150,000 loan businesses needs to be released.

Clearly, the SW Street Liaison Office is deeply connected to, is trusted by, and understands the small business community in the city's southwest quadrant. GRCRC urges M&T to work with the office to find out how best to support its work and the businesses in the area, particularly Black and Brown-owned businesses.

Abusive Auto Lending

In Rochester, working families need cars to get to work. Work schedules are not fixed and change at the last minute. Entry level jobs are in locations that don't have reliable public transportation or affordable housing.

For individuals in rural areas, public transit is not even an option. This makes Upstate New York a haven for subprime auto lenders and unscrupulous "Buy Here Pay Here" dealers who know that most of these individuals would not be able to get an affordable loan from a bank.

Car loans have abusive and discriminatory interest rates, so that loans have high loan-to-value ratios ranging from 125-175%. Long loan terms mean that the car stops running before the loan is paid. The dealer then refinances the amount of the unpaid loan into a new loan. That leads to higher and higher loan-to-value ratios.

Legal Assistance of Western New York (LawNY) is the primary free legal service provider in 13 of the 14 counties in the Rochester MSA and the rural counties in the Finger Lakes. LawNY turns away hundreds of callers each year seeking help with consumer legal problems. They see hidden fees for the dealership, and costly, yet worthless, extended warranties added to the contracts without the consumer's knowledge. It is not uncommon for a consumer to buy a used car with over 100,000 miles on it that was advertised at a number around \$5,000. That consumer will end up with a loan that will cost them more than three times that amount by the time they are done making payments.

The pattern LawNy has observed is that most consumers are not even made aware of the terms of the loan at the time they purchase the car. The majority of documents are signed on a computer, by clicking a button that is often controlled by the salesperson. Frequently consumers leave the lot with their car but not their contract. When they finally do receive the contract, they are shocked to learn that the car they purchased will cost them more than twice what they were told by the dealer. Because there is no cooling-off period for car sales, consumers are left with no recourse to return the car after learning it is unaffordable, and dealers will often direct consumers to the company that indirectly financed their loan, even though the consumers have only ever interacted with the dealer.

All of this results in extremely high default rates--25% for subprime auto loans made at "Buy Here Pay Here" dealerships, compared to only 1% default rates for low-interest auto loans made by traditional banks. When individuals default on their auto loans, the lender will repossess the vehicle and auction it off for a fraction of the fair market value. In most instances, this leaves a large deficiency balance on the loan that the lenders will pursue in the courts by filing lawsuits against the consumers, again increasing what the loan costs by adding attorney's fees, court

costs, and post-judgment interest. Without access to legal representation, many of these lawsuits result in default judgments against the consumers, even when there are legal defenses. Consumers will then end up paying for these cars for years after they surrendered them and for thousands of dollars more than they were ever worth. This results in a cycle of subprime credit that is almost impossible to break.

State regulators are finally taking action. On August 31, 2020 the Massachusetts Attorney General sued one of the largest subprime lenders, Credit Acceptance Corp (CAC). The complaint reflects what LawNY is seeing in the consumers who reach out to them, as described above. “The complaint . . . alleges that CAC has made high-interest subprime auto loans to Massachusetts borrowers that the company knew borrowers would be unable to repay, in violation of state law. While the company profited, borrowers experienced ruined credit, lost vehicles or down payments, and were left with an average of approximately \$9,000 of debt.”¹⁷

An August Wall Street Journal article describes the problems with securitized subprime auto loans. It describes how consumers will be impacted and suggests that the investors will not lose out.¹⁸ As the pandemic continues, with unemployment still running high and many businesses still not recovered, it is increasingly likely there will be a tsunami of evictions and car repossessions.

Subprime used auto credit makes it virtually impossible to become a homeowner and take the first step into saving to build assets and wealth. As the federal government has eroded protection for consumers in the past four years, we need other ways to shut down predatory and abusive used car loans.

GRCRC urges M&T and other responsible financial institutions to step up and make safe and affordable loans to their subprime clients. It is not in the interest of the local community banks or credit unions to have out of state predatory actors taking the hard-earned money of their customers. Parents should not have to work multiple jobs for 60 hours a week to try not to put their children to bed hungry.

In addition to offering safer, affordable auto loans for consumers, we urge M&T to also fund LawNY and/or other legal services programs to assist borrowers deceived by predatory lenders.

Genesee Co-op FCU (GCFCU) needs help confronting the coming foreclosure crisis and predatory auto lending that residents, especially Black residents of Rochester are facing, and to

¹⁷ <https://www.mass.gov/news/ag-healey-sues-major-subprime-auto-lender-for-unfair-and-deceptive-practices-in-its-subprime#:~:text=Boston%20%E2%80%94%20A%20lawsuit%20has%20been,and%20engaging%20in%20unfair%20debt>

¹⁸ https://www.wsj.com/articles/auto-lending-binge-threatens-to-unwind-when-stimulus-measures-ease-11596798003?mod=hp_lead_pos3

support homeownership in the city. We would do this by: 1. Refinancing people from loans potentially facing foreclosure due to COVID-19; 2. Refinancing predatory auto loans, and; 3. Lending to people purchasing houses in the **City Roots Community Land Trust**.

To do these three actions, GCFCU needs additional equity. Equity helps Rochester's only community development credit union (CDCU) grow, especially in this difficult time, and protects it from potential losses from the risks it faces as a community lender (it's also a community development financial institution (CDFI). This equity would ideally be in the form of grant capital, of up to \$500,000 over three years, to match its CDFI grants. Secondary capital, debt that functions like equity, at a low-interest rate, would also be helpful. Finally, GCFCU would like to work with M&T, **City Roots Community Land Trust**, and other local organizations to create a facility that would allow them to purchase mortgages from financial institutions and attempt to either help keep the homeowners in the homes, or make sure they end up as homes that are affordable to low-income people in the City. GRCRC urges M&T to support the credit union in one or more of these three ways.

As seen on their website,¹⁹

Flower City Noire Collective was founded in Rochester in 2016 by Tonya Noel Stevens and Kristen Walker. They founded FCNC specifically as a corrective to the transphobia, classism, and elitism they witnessed in existing mainstream activist movements, and to cultivate practices of self-care, accountability, and radical honesty. Stevens has formal training in Agriculture and Food Studies, while Walker has formal training in African American Studies and English. In addition, they have both developed extensive expertise in Black feminism and community-organizing through their work together since meeting in 2014. FCNC's mission is to "elevate womxn of color," and to center the experiences of Black queer folks in particular. According to their mission statement: "FCNC seeks to fill the void of safe, black centered spaces in Rochester, NY that center around black joy, black love, and understanding." In the words of Walker, the work is fundamentally about "space-making." Rooted in Black feminist politics and the Black radical tradition, FCNC emphasizes "the values of collective leadership, collective work and responsibility, collective education, and sustainability through skill-sharing." Their interventions include a free Black feminist mentoring program for local youth called "Petals," cultivation of green space for and with Black urban growers (B.U.G.S.), regular reading groups and other consciousness-raising efforts including a reading and discussion group, and most recently the founding of NOIRE House at the corner of Flower City and Dewey Avenue on the city's predominantly Black west side in 2019. NOIRE stands for Neighbors Organized with Imagination for Resilient Emergence and is based on the model of Hope House in Detroit, which Stevens and Walker visited in 2017. NOIRE House is actually

¹⁹ <http://flowercitynoirecollective.org/aboutus/>

two houses, acquired by FCNC as “legacy properties.” Walker and Stevens are currently living in one of the houses, along with other tenants, and rehabbing both houses for cooperative occupancy.

GRCRC urges M&T to consider providing unrestricted financial support to this transformative initiative.

Language Access

During our meetings with M&T and the NY Fed, Luis Ormaechea, a staff attorney with **Empire Justice Center** focusing on foreclosure prevention and language access, shared about the great need for language access for bank customers in the Rochester community, including the need for in-language access to products such as mortgages. Luis was raised in a bilingual household, where even as a child he often helped translate documents and interpret conversations for his parents (which would have included business transactions such as banking). In his work representing clients in real estate transactions and his current work representing homeowners facing foreclosure, Luis continues to see a need for increased language access to help make lending products, and banking products and services in general, available to LEP consumers. Increased language access also increases trust and builds relationships.

A current example of a need for greater language access in consumer lending products is where the COVID-19 pandemic has caused millions of homeowners to struggle to pay their mortgages. Many of those homeowners have sought, and obtained, a forbearance to provide temporary relief from mortgage payments while they seek a return to full employment. Yet a significant number of homeowners have defaulted on mortgage payments without obtaining a forbearance – putting them at elevated risk of foreclosure.

There is good reason to believe that the disparate access to forbearance plans has been caused in part by disparate access to information, made worse by limited in-language options presented to consumers with limited English proficiency. Perhaps no population faces greater challenges in obtaining information about available mortgage relief than LEP borrowers.

In addition, several GRCRC members tried to find Spanish and other language pages for LEP consumers on M&T’s website, and they found none. We thank M&T for agreeing to make these pages easier to find from the homepage. We urge M&T to do this as soon as possible, and to work with language access advocates like the **Monroe County Language Access Coalition** to increase in-language options for LEP consumers.

In response to our draft letter, M&T shared that the bank has several different initiatives it is launching to support the banking needs of LEP individuals and households. For example, it has a

COVID-related Spanish language web page on mtb.com. Signage has also been put into specific branches in a number of languages, including Spanish, Burmese, Korean and Chinese.

Special Needs of New York’s Rural Communities

During one of the meetings with M&T, an attorney at the Bath Office of the **Legal Assistance of Western New York (LawNY)** shared about the special challenges faced by the clients he represents. This attorney handles bankruptcy and foreclosure cases for the Southern Tier counties of Steuben, Allegany, Cattaraugus and Chautauqua; counties that are the tip of the Appalachian region.

These Southern Tier Counties are characterized by low home values, a high poverty rate, and limited education. The table below shows that up to 29% of the home values are under \$50,000 and up to 72% are under \$100,000. Approximately 50% of the adult population has a high school or less education.

In many of the cases from this area handled by LawNY’s Bath Office, the clients have subprime mortgages and used car loans with very high interest rates, in some cases above 24%. Low-moderate income households in the Southern Tier need more access to responsible bank lending. GRCRC urges M&T Bank to consider a special initiative for this area, such as financing home purchases of \$50,000 or less for low income households, that could have a significant impact.

Southern Tier Counties Served by LawNY Bath Office Compared to Monroe County

County	Home values (less than \$50,000)	Home values (less than \$100,000)	Percentage below 100% of poverty	Percentage with high school education or less (age 25+)
Allegany	29.0%	72.1%	12.3%	50.1%
Cattaraugus	19.5%	61.2%	12.4%	53.0%
Chautauqua	18.7%	61.2%	13.8%	47.3%
Steuben	17.3%	56.6%	11.5%	48.3%
Monroe	5.4%	25.6%	11.0%	34.8%

Source: 2011–2015 American Community Survey, as presented in County Profiles (2017) produced by Jan Vink, Cornell Program on Applied Demographics, available at <https://pad.human.cornell.edu/profiles/>.

Conclusion

The COVID-19 pandemic and its impact on the economy have revealed economic and racial disparities in the Rochester community that those with structural power have hidden (or refused to acknowledge) for decades. Like many other cities across the country, we are just beginning to examine how structural racism and economic inequality have divided our community. COVID-19 is showing us that these systems disproportionately harm Black and Brown communities, while ultimately harming us all. Like all financial institutions in this country, M&T Bank is part of and has benefitted from these systems. The benefits may be flattening out, however.

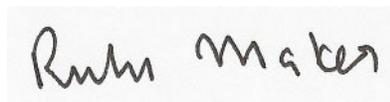
M&T's deposits in the Rochester MSA have grown by 68% since 2007 to \$3.76 billion, so that as of 2019 the bank had 19.6% of the depository market. This is despite the 2019 market share being almost 5 points lower than the bank's 24.4% market share at the beginning of this exam period and a decrease in total deposits since 2017. Total annualized reinvestments in the Rochester community, however, are 11% lower than what they were in the 2008 exam period, and almost one-half what they were as a percentage of deposits reinvested. Some of this decline in reinvestments can be explained by the decline in M&T's home purchase lending, particularly in 2016 and 2017. We are especially concerned by the decline in lending to Black and Latinx households.

With respect to loans to Rochester-area businesses, we are pleased that M&T continues to provides CRA small business lending at levels in line with its presence in the community, particularly to businesses located in low-moderate income tracts and the smaller businesses located there.

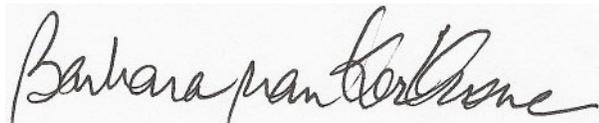
GRCRC is committed to fostering productive relationships with all financial institutions in the belief that the goal of meeting the credit needs of communities harmed by structural racism and economic inequality is compatible with safe, sound, and profitable lending practices. That is why we have provided a variety of opportunities and strategies in this letter for M&T to consider.

GRCRC members look forward to working with M&T to find ways to invest in the Rochester community that will have the most impact on community members and businesses that historically and continue to be neglected by mainstream financial institutions.

Sincerely,



Ruhi Maker, Esq.



Barbara van Kerkhove, Ph.D.
Researcher/Policy Analyst

Table 3: M&T Bank Total Dollar Volume Mortgage Lending 2014-2018

Rochester, NY MSA

(Aggregate amount of 1st lien loans on owner-occupied, 1-4 family, site built units, \$000)

	2014	2015	2016	2017	2018	2017-2018		2014-2018	
						# change	% change	# change	% change
MSA	\$80,204	\$71,367	\$60,217	\$60,020	\$96,230	\$36,210	60%	\$16,026	20%
City	\$10,900	\$6,181	\$7,615	\$6,762	\$13,240	\$6,478	96%	\$2,340	21%
Black/Latino HH	\$8,863	\$5,800	\$5,462	\$7,177	\$7,465	\$288	4%	-\$1,398	-16%
Low-Mod Income HH	\$28,062	\$27,784	\$22,147	\$20,252	\$35,260	\$15,008	74%	\$7,198	26%
Low-Mod Income CT	\$7,899	\$4,583	\$4,775	\$5,696	\$10,785	\$5,089	89%	\$2,886	37%
Majority Non-White CT	\$4,374	\$2,150	\$2,539	\$3,198	\$6,720	\$3,522	110%	\$2,346	54%
						AFI			
% of lending in:	2014	2015	2016	2017	2018	2018			
City	14%	9%	13%	11%	14%	7%			
Black/Latino HH	11%	8%	9%	12%	8%	6%			
Low-Mod Income HH	35%	39%	37%	34%	37%	25%			
Low-Mod Income CT	10%	6%	8%	9%	11%	7%			
Majority Non-White CT	5%	3%	4%	5%	7%	3%			

Prepared by Empire Justice Center, September 2020

Table 5: Top 8 Banks Total Mortgage Originations 2018

Rochester, NY MSA

(1st lien loans on owner-occupied (principal and secondary), 1-4 family, site built units)

Annual HMDA data	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	17,449	277	1,137	718	326	299	580	492	782	4,611	12,838
City	1,676	20	98	103	87	24	42	5	132	511	1,165
Black/Latino HH	1,315	18	44	88	104	26	38	11	89	418	897
Low-Mod Income HH	6,493	87	363	358	220	104	235	159	402	1,928	4,565
Low-Mod Income CT	2,115	15	105	119	99	27	64	70	127	626	1,489
Majority Non-White CT	915	9	38	74	63	14	22	1	80	301	614
MARKETSHARE											
		BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA		2%	7%	4%	2%	2%	3%	3%	4%	26%	74%
City		1%	6%	6%	5%	1%	3%	0%	8%	30%	70%
Black/Latino HH		1%	3%	7%	8%	2%	3%	1%	7%	32%	68%
Low-Mod Income HH		1%	6%	6%	3%	2%	4%	2%	6%	30%	70%
Low-Mod Income CT		1%	5%	6%	5%	1%	3%	3%	6%	30%	70%
Majority Non-White CT		1%	4%	8%	7%	2%	2%	0%	9%	33%	67%
Loans as %											
of MSA TOTAL IN:	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
City	10%	7%	9%	14%	27%	8%	7%	1%	17%	11%	9%
Black/Latino HH	8%	6%	4%	12%	32%	9%	7%	2%	11%	9%	7%
Low-Mod Income HH	37%	31%	32%	50%	67%	35%	41%	32%	51%	42%	36%
Low-Mod Income CT	12%	5%	9%	17%	30%	9%	11%	14%	16%	14%	12%
Majority Non-White CT	5%	3%	3%	10%	19%	5%	4%	0%	10%	7%	5%
Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2018 Snapshot National Loan-Level Dataset, as of 8/7/2019, at: https://ffiec.cfpb.gov/data-publication/snapshot-national-loan-level-dataset/2018 .											
Prepared by: Empire Justice Center											

Table 6: Top 8 Banks Dollar Amount HMDA Lending 2018

Rochester, NY MSA

Aggregate Amount of Loans (000's) (1st lien loans on owner-occupied (principal and secondary), 1-4 family, site built units)

Annual HMDA data	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	2,480,305	50,855	201,945	88,200	35,310	40,695	70,830	84,280	96,230	\$668,345	\$1,811,960
City	166,430	2,180	12,670	8,195	7,225	2,130	3,570	585	13,240	\$49,795	\$116,635
Black/Latino HH	140,245	1,920	5,520	7,720	9,250	2,500	4,290	1,855	7,465	\$40,520	\$99,725
Low-Mod Income HH	631,205	8,075	39,045	33,000	19,050	9,520	19,485	15,565	35,260	\$179,000	\$452,205
Low-Mod Income CT	185,755	1,295	13,735	8,685	7,835	2,205	5,390	7,090	10,785	\$57,020	\$128,735
Majority Non-White CT	68,295	645	3,710	4,890	4,625	1,050	1,660	75	6,720	\$23,375	\$44,920
MARKETSHARE											
		BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA		2%	8%	4%	1%	2%	3%	3%	4%	27%	73%
City		1%	8%	5%	4%	1%	2%	0%	8%	30%	70%
Black/Latino HH		1%	4%	6%	7%	2%	3%	1%	5%	29%	71%
Low-Mod Income HH		1%	6%	5%	3%	2%	3%	2%	6%	28%	72%
Low-Mod Income CT		1%	7%	5%	4%	1%	3%	4%	6%	31%	69%
Majority Non-White CT		1%	5%	7%	7%	2%	2%	0%	10%	34%	66%
Loans as %											
of MSA TOTAL IN:	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
City	7%	4%	6%	9%	20%	5%	5%	1%	14%	7%	6%
Black/Latino HH	6%	4%	3%	9%	26%	6%	6%	2%	8%	6%	6%
Low-Mod Income HH	25%	16%	19%	37%	54%	23%	28%	18%	37%	27%	25%
Low-Mod Income CT	7%	3%	7%	10%	22%	5%	8%	8%	11%	9%	7%
Majority Non-White CT	3%	1%	2%	6%	13%	3%	2%	0%	7%	3%	2%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2018 Snapshot National Loan-Level Dataset, as of 8/7/2019, at: <https://ffiec.cfbp.gov/data-publication/snapshot-national-loan-level-dataset/2018>.

Prepared by: Empire Justice Center, 585-454-4060

Table 7: Top 8 Banks Home Purchase Originations 2018

Rochester, NY MSA

(1st lien home purchase loans on owner-occupied (principal and secondary), 1-4 family, site built units)

Annual HMDA data	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	10,798	140	833	189	222	129	133	340	388	2,374	8,424
City	1,077	9	72	38	85	12	12	3	92	323	754
Black/Latino HH	930	15	37	46	103	12	8	9	72	302	628
Low-Mod Income HH	3,921	35	270	91	169	47	57	111	234	1,014	2,907
Low-Mod Income CT	1,318	9	75	47	93	19	17	37	90	387	931
Majority Non-White CT	558	5	25	33	62	10	9	1	55	200	358

MARKETSHARE

	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	1%	8%	2%	2%	1%	1%	3%	4%	22%	78%
City	1%	7%	4%	8%	1%	1%	0%	9%	30%	70%
Black/Latino HH	2%	4%	5%	11%	1%	1%	1%	8%	32%	68%
Low-Mod Income HH	1%	7%	2%	4%	1%	1%	3%	6%	26%	74%
Low-Mod Income CT	1%	6%	4%	7%	1%	1%	3%	7%	29%	71%
Majority Non-White CT	1%	4%	6%	11%	2%	2%	0%	10%	36%	64%

Loans as %

of MSA TOTAL IN:	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
City	10%	6%	9%	20%	38%	9%	9%	1%	24%	14%	9%
Black/Latino HH	9%	11%	4%	24%	46%	9%	6%	3%	19%	13%	7%
Low-Mod Income HH	36%	25%	32%	48%	76%	36%	43%	33%	60%	43%	35%
Low-Mod Income CT	12%	6%	9%	25%	42%	15%	13%	11%	23%	16%	11%
Majority Non-White CT	5%	4%	3%	17%	28%	8%	7%	0%	14%	8%	4%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2018 Snapshot National Loan-Level Dataset, as of 8/7/2019, at: <https://ffiec.cfbp.gov/data-publication/snapshot-national-loan-level-dataset/2018>.

Prepared by: Empire Justice Center, 585-454-4060

Table 8: M&T Bank Small Business Lending 2014-2018

Rochester NY MSA (Inside and Outside Assessment Area)

Number of Loans						2017-2018	2017-2018	2014-2018	2014-2018
	2014	2015	2016	2017	2018	# change	% change	# change	% change
Number of Loans Ranking		9	9	9	7				
Rochester MSA Total	910	842	853	695	903	208	30%	-7	-1%
Rochester MSA in LMI CT	166	171	179	137	164	27	20%	-2	-1%
Loan Amt <= \$100,000		394	414	340	567	227	67%	173	44%
Loan Amt <= \$100,000 in LMI CT		73	90	67	101	34	51%	28	38%
Bus. w. GAR < \$1 M	334	384	441	337	473	136	40%	139	42%
Bus. w. GAR < \$1 M in LMI CT	52	67	87	60	79	19	32%	27	52%
						AFI			
% of Rochester MSA Loans In:	2014	2015	2016	2017	2018	2018			
Rochester MSA in LMI CT	18%	20%	21%	20%	18%	19.1%			
Loan Amt <= \$100,000		47%	49%	49%	63%	92.3%			
Loan Amt <= \$100,000 in LMI CT		9%	11%	10%	11%	17.7%			
Bus. w. GAR < \$1 M	37%	46%	52%	48%	52%	46.0%			
Bus. w. GAR < \$1 M in LMI CT	6%	8%	10%	9%	9%	7.9%			
Aggregate Amount of Loans (Millions of Dollars)						2017-2018	2017-2018	2014-2018	2014-2018
	2014	2015	2016	2017	2018	# change	% change	# change	% change
Dollar Volume of Lending Ranking		1	1	1	1				
Rochester MSA Total	\$229.00	\$212.88	\$206.27	\$153.92	\$154.28	\$.36	0%	-\$74.72	-33%
<i>Avg Loan Size (in thousands)</i>	\$251.65	\$252.82	\$241.82	\$221.46	\$170.85	-\$20.35	-8%	-\$80.80	-32%
Rochester MSA in LMI CT	\$50.48	\$48.84	\$41.44	\$31.87	\$29.90	-\$1.97	-6%	-\$20.58	-41%
Loan Amt <= \$100,000		\$17.53	\$15.88	\$15.42	\$17.90	-\$1.65	-9%	\$.37	2%
Loan Amt <= \$100,000 in LMI CT		\$3.16	\$3.79	\$3.14	\$3.65	\$.63	20%	\$.50	16%
Bus. w. GAR < \$1 M	\$38.88	\$50.09	\$56.98	\$41.12	\$39.04	-\$2.08	-5%	\$.15	0%
Bus. w. GAR < \$1 M in LMI CT	\$6.35	\$7.35	\$8.29	\$6.08	\$7.99	\$1.90	31%	\$1.64	26%
						AFI			
% of Rochester MSA Loans In:	2014	2015	2016	2017	2018	2018			
Rochester MSA in LMI CT	22%	23%	20%	21%	19%	18.6%			
Loan Amt <= \$100,000		8%	8%	10%	12%	32.4%			
Loan Amt <= \$100,000 in LMI CT		1%	2%	2%	2%	6.1%			
Bus. w. GAR < \$1 M	17%	24%	28%	27%	25%	31.1%			
Bus. w. GAR < \$1 M in LMI CT	3%	3%	4%	4%	5%	5.4%			

Notes: Changes for loan amt<=\$100,00 are for 2015-2018.

Prepared by Empire Justice Center, September 2020

Table 8a: Top 8 Banks Small Business Administration (SBA) Lending Through the Rochester Branch Office, NY 2014-2018

(All 7(a) Loan Programs, Fiscal Year Ending September 2014-2018)

Total 7(a) Loans

	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank*	Lyons NB	M&T	Top 8	OFI
2014	313	0	29	12	47	3	6	26	89	212	101
2015	404	0	22	39	79	1	3	19	89	252	152
2016	541	0	26	68	117	1	9	26	140	387	154
2017	447	1	28	38	62	1	14	24	85	253	194
2018	456	1	32	8	68	3	12	50	71	245	211

Marketshare

	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
2014	0.0%	9.3%	3.8%	15.0%	1.0%	1.9%	8.3%	28.4%	68%	32%
2015	0.0%	5.4%	9.7%	19.6%	0.2%	0.7%	4.7%	22.0%	62%	38%
2016	0.0%	4.8%	12.6%	21.6%	0.2%	1.7%	4.8%	25.9%	72%	28%
2017	0.2%	6.3%	8.5%	13.9%	0.2%	3.1%	5.4%	19.0%	57%	43%
2018	0.2%	7.0%	1.8%	14.9%	0.7%	2.6%	11.0%	15.6%	53.7%	46.3%

Total Amount of 7(a) Loans (Thousands of Dollars)

	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
2014	\$53,182.60	\$0.0	\$4,053.8	\$1,001.0	\$2,057.4	\$450.5	\$4,015.0	\$6,877.0	\$11,158.0	\$29,612.7	\$ 23,569.9
2015	\$73,366.80	\$0.0	\$4,409.8	\$5,328.7	\$6,514.1	\$297.5	\$660.0	\$7,487.7	\$8,756.7	\$33,454.5	\$ 39,912.3
2016	\$77,106.70	\$0.0	\$3,539.9	\$6,553.1	\$8,210.5	\$200.0	\$2,351.9	\$9,395.1	\$11,291.4	\$41,541.9	\$ 35,564.8
2017	\$59,855.40	\$150.0	\$4,149.9	\$4,001.4	\$5,863.6	\$50.0	\$2,236.0	\$3,913.2	\$9,325.6	\$29,689.7	\$ 30,165.7
2018	\$75,168.00	\$60.0	\$5,766.4	\$514.8	\$4,981.9	\$102.0	\$5,868.0	\$9,380.0	\$10,434.3	\$37,107.4	\$ 38,060.6

Rank Among All SBA Lenders**

	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T
2014	-	4	12	10	17	5	2	1
2015	-	7	6	5	21	16	4	2
2016	-	9	5	3	20	11	2	1
2017	23	6	7	4	27	9	8	1
2018	29	6	15	7	24	5	3	2

Marketshare

	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
2014	0.0%	7.6%	1.9%	3.9%	0.8%	7.5%	12.9%	21.0%	56%	44%
2015	0.0%	6.0%	7.3%	8.9%	0.4%	0.9%	10.2%	11.9%	46%	54%
2016	0.0%	4.6%	8.5%	10.6%	0.3%	3.1%	12.2%	14.6%	54%	46%
2017	0.3%	6.9%	6.7%	9.8%	0.1%	3.7%	6.5%	15.6%	50%	50%
2018	0.1%	7.7%	0.7%	6.6%	0.1%	7.8%	12.5%	13.9%	49.4%	50.6%

Notes: Tables provided by M&T Bank

* KeyBank merged with First Niagara in Q3 2016. Numbers are always only those reported under KeyBank.

** Ranking by total dollar amount among ALL SBA 7(a) loan program lenders.

Counties served by the Rochester Branch Office are: Monroe, Ontario, Seneca, Yates and Livingston. AFI: All SBA Lenders; OFI: Other SBA Lenders.

Prepared by: Empire Justice Center, 09/2020

Table 9: Top 8 Banks Small Business Lending, 2018
Top 8 Depositories, Rochester, NY MSA

Number of Loans												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Number of Loans Ranking		6	4	13	25	14	2	10	7			
Rochester MSA Total	17,900	960	1,417	315	85	252	3,072	688	903	7,607	7,692	10,208
Rochester MSA in LMI CT	3,419	186	284	58	21	36	453	180	164	1,361	1,382	2,037
Loan Amt <= \$100,000	16,518	916	1,222	300	61	138	3,046	587	567	6,776	6,837	9,681
Loan Amt <= \$100,000 in LMI CT	3,162	176	243	57	16	21	449	147	101	1,194	1,210	1,952
Bus. w. GAR < \$1 M	8,232	450	734	275	52	143	939	443	473	3,457	3,509	4,723
Bus. w. GAR < \$1 M in LMI CT	1,417	87	144	52	15	15	127	110	79	614	629	788
Marketshare												
		BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Rochester MSA Total		5.4%	7.9%	1.8%	0.5%	1.4%	17.2%	3.8%	5.0%	42.5%	43.0%	57.0%
Rochester MSA in LMI CT		5.4%	8.3%	1.7%	0.6%	1.1%	13.2%	5.3%	4.8%	39.8%	40.4%	59.6%
Loan Amt <= \$100,000		5.5%	7.4%	1.8%	0.4%	0.8%	18.4%	3.6%	3.4%	41.0%	41.4%	58.6%
Loan Amt <= \$100,000 in LMI CT		5.6%	7.7%	1.8%	0.5%	0.7%	14.2%	4.6%	3.2%	37.8%	38.3%	61.7%
Bus. w. GAR < \$1 M		5.5%	8.9%	3.3%	0.6%	1.7%	11.4%	5.4%	5.7%	42.0%	42.6%	57.4%
Bus. w. GAR < \$1 M in LMI CT		6.1%	10.2%	3.7%	1.1%	1.1%	9.0%	7.8%	5.6%	43.3%	44.4%	55.6%
Percentage of Rochester MSA Loans In:												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Rochester MSA in LMI CT	19.1%	19.4%	20.0%	18.4%	24.7%	14.3%	14.7%	26.2%	18.2%	17.9%	18.0%	20.0%
Loan Amt <= \$100,000	92.3%	95.4%	86.2%	95.2%	71.8%	54.8%	99.2%	85.3%	62.8%	89.1%	88.9%	94.8%
Loan Amt <= \$100,000 in LMI CT	17.7%	18.3%	17.1%	18.1%	18.8%	8.3%	14.6%	21.4%	11.2%	15.7%	15.7%	19.1%
Bus. w. GAR < \$1 M	46.0%	46.9%	51.8%	87.3%	61.2%	56.7%	30.6%	64.4%	52.4%	45.4%	45.6%	46.3%
Bus. w. GAR < \$1 M in LMI CT	7.9%	9.1%	10.2%	16.5%	17.6%	6.0%	4.1%	16.0%	8.7%	8.1%	8.2%	7.7%
Total Amount of Loans (Millions of Dollars)												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Dollar Volume of Lending Ranking		8	2	17	16	3	6	4	1			
Rochester MSA Total	\$750.75	\$30.55	\$109.69	\$11.86	\$12.40	\$54.08	\$43.69	\$51.18	\$154.28	\$455.33	\$467.73	\$283.02
<i>Avg Loan Size (in thousands)</i>	\$41.94	\$31.82	\$77.41	\$37.66	\$145.92	\$214.62	\$14.22	\$74.38	\$170.85	\$59.86	\$60.81	\$27.73
Rochester MSA in LMI CT	\$139.85	\$6.81	\$22.01	\$1.79	\$2.88	\$8.05	\$7.64	\$16.98	\$29.90	\$93.18	\$96.06	\$43.80
Loan Amt <= \$100,000	\$243.47	\$13.98	\$38.48	\$6.56	\$2.26	\$4.82	\$32.19	\$15.66	\$17.90	\$129.59	\$131.85	\$111.62
Loan Amt <= \$100,000 in LMI CT	\$45.59	\$2.60	\$7.69	\$1.64	\$0.45	\$0.88	\$5.33	\$4.12	\$3.65	\$25.91	\$26.36	\$19.23
Bus. w. GAR < \$1 M	\$233.15	\$7.52	\$39.08	\$6.27	\$5.24	\$13.91	\$14.34	\$19.51	\$39.04	\$139.66	\$144.90	\$88.26
Bus. w. GAR < \$1 M in LMI CT	\$40.33	\$1.11	\$7.39	\$1.37	\$0.40	\$1.83	\$2.11	\$5.60	\$7.99	\$27.39	\$27.79	\$12.54
Marketshare												
		BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Rochester MSA Total		4.1%	14.6%	1.6%	1.7%	7.2%	5.8%	6.8%	20.5%	60.6%	62.3%	37.7%
Rochester MSA in LMI CT		4.9%	15.7%	1.3%	2.1%	5.8%	5.5%	12.1%	21.4%	66.6%	68.7%	31.3%
Loan Amt <= \$100,000		5.7%	15.8%	2.7%	0.9%	2.0%	13.2%	6.4%	7.4%	53.2%	54.2%	45.8%
Loan Amt <= \$100,000 in LMI CT		5.7%	16.9%	3.6%	1.0%	1.9%	11.7%	9.0%	8.0%	56.8%	57.8%	42.2%
Bus. w. GAR < \$1 M		3.2%	16.8%	2.7%	2.2%	6.0%	6.1%	8.4%	16.7%	59.9%	62.1%	37.9%
Bus. w. GAR < \$1 M in LMI CT		2.7%	18.3%	3.4%	1.0%	4.5%	5.2%	13.9%	19.8%	67.9%	68.9%	31.1%
Percentage of Rochester MSA Loans In:												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Rochester MSA in LMI CT	18.6%	22.3%	20.1%	15.1%	23.2%	14.9%	17.5%	33.2%	19.4%	20.5%	20.5%	15.5%
Loan Amt <= \$100,000	32.4%	45.8%	35.1%	55.3%	18.2%	8.9%	73.7%	30.6%	11.6%	28.5%	28.2%	39.4%
Loan Amt <= \$100,000 in LMI CT	6.1%	8.5%	7.0%	13.8%	3.6%	1.6%	12.2%	8.1%	2.4%	5.7%	5.6%	6.8%
Bus. w. GAR < \$1 M	31.1%	24.6%	35.6%	52.9%	42.3%	25.7%	32.8%	38.1%	25.3%	30.7%	31.0%	31.2%
Bus. w. GAR < \$1 M in LMI CT	5.4%	3.6%	6.7%	11.5%	3.2%	3.4%	4.8%	11.0%	5.2%	6.0%	5.9%	4.4%
Notes: JPMC includes Chase Bank USA, NA and JPMorgan Chase Bank, NA. Lyons NB reported no loans, so included the next largest bank--Community Bank (Cmty Bk). Loans/Lending Ranking is ranking among all lenders reporting CRA small business lending data. AFI: All Financial Institutions OFI: Other Financial Institutions												
Prepared by: Empire Justice Center, 585-454-4060												

Table 10

Table 10a: M&T Bank Community Development Lending, Investments and Grants and CRA Eligible Mortgage and Small Eligible Mortgage and Small Business Lending			Table 10b: M&T Bank Community Development Lending, Investments and Grants and CRA Eligible Mortgage and Eligible Mortgage and Small Business Lending		
Rochester MSA			Rochester MSA		
(in thousands)			(units)		
2020 Exam Period (2014-2019)			2020 Exam Period (2014-2019)		
	City of Rochester	Total		City of Rochester	Total
Community Development Loans	\$224,035	\$277,515	Community Development Loans	63	74
Community Development Investments	\$110,313	\$119,551	Community Development Investments	7	8
CRA-Eligible Grants	\$2,500	\$7,707	CRA-Eligible Grants	267	919
Subtotal	\$336,848	\$404,773	Subtotal	337	1001
Mortgage Lending*	\$131,240	\$259,803	Mortgage Lending*	720	2598
Small Business Lending**	n/a	\$392,583	Small Business Lending**	n/a	2441
Total	\$468,088	\$1,057,159	Total	1057	6040
Note: * Includes all HMDA mortgage originations to low-moderate income households and/or in low-moderate census tracts (unduplicated)			Note: * Includes all HMDA mortgage originations to low-moderate income households and/or in low-moderate census tracts (unduplicated)		
** Includes CRA Small business loans in low-moderate income census tracts and to businesses with gross annual revenues under \$1 million (unduplicated). Data not available for loans in city.			** Includes CRA Small business loans in low-moderate income census tracts and to businesses with gross annual revenues under \$1 million (unduplicated). Data not available for loans in city.		
The loan period is 2014 through 2018 for HMDA and Small Business Reportable Loans. CD Loans, Qualified Investments and CRA Grants are from Sept 1, 2014 through December 31, 2019.			CD numbers provided by M&T Bank; mortgage lending and small business lending numbers calculated by Empire Justice.		
Numbers, except for mortgage and small business lending, provided by M&T Bank.					

Table 10c: M&T Deposits Versus CRA-Related Reinvestments in the Rochester NY Community					
	Deposits (thousands)	Total Reinvestments (thousands)	Annualized Reinvestments (thousands)	% Deposits Reinvested	
				Entire Exam Period	Annualized
2020 Exam Period (2014-2018/2019, 5 yrs)	\$3,760,039	\$1,057,159	\$211,432	28.12%	5.62%
2010 Exam Period (2008-2009, 2 yrs)	\$2,488,247	\$450,293	\$225,147	18.10%	9.05%
2008 Exam Period (2006-2007, 2 yrs)	\$2,236,222	\$473,570	\$236,785	21.18%	10.59%
2008-2020 Change (#)	\$1,523,817	\$583,589	-\$25,353	6.94%	-4.97%
2008-2020 Change (%)	68%	123%	-11%	32.76%	-46.89%
Prepared by Empire Justice Center, September 2020					

Appendix B: Letter to M&T Bank re: Forbearances

Sent via email on September 10, 2020

Dear Beverly

Thanks for making time to talk yesterday.

As you know Empire Justice Center represents homeowners in foreclosure. The clients contact one of the local housing counseling agencies, and when appropriate the case is referred to Empire Justice Center for legal representation. Kevin Purcell Esq. is the supervising attorney of the Foreclosure Prevention Project and works closely with the Rochester courts to make sure that homeowners know their right.

We know that federally-backed loans (Fannie Mae, Freddie Mac, HUD, etc.) have rules regarding forbearance. We would like to know about M&T's current policy for forbearance of portfolio loans. What are you seeing and how is M&T handling those forbearance requests?

Fannie Mae's National housing survey found that homeowners with incomes under \$50,000, Black and Brown Homeowners and LEP homeowners are less aware of this option. Senator Brown's press release below links to this information.

<https://www.brown.senate.gov/newsroom/press/release/brown-warren-van-hollen-menendez-and-reed-probe-cfpbs-failure-to-alert-borrowers-to-mortgage-relief-options-during-pandemic>

LEP homeowners face additional challenges. M and T has a Spanish speaking loan officer, so we assume that many of your LEP customers may have mortgages. What steps are you taking to reach out to homeowners, including LEP homeowners? What emails are sent in Spanish or other language. Are there bank staff who work on loan modification who speak Spanish. What happens to LEP borrowers who speak the other languages in upstate New York.

Marlene Cortes is the founder of the Monroe County Language Access Coalition. Luis Ormaechea Esq. and Marlene work on language Access issues both at the Federal and local level. Luis also represents homeowners in foreclosure. Based on Marlene and Luis's work we recommend that Limited-English-proficient borrowers who need help understanding their options or who want help communicating with their mortgage company should be advised to contact a housing counseling agency approved by HUD. (Certified housing counselors at these agencies offer services at no cost. Borrowers can find a HUD-approved counseling agency with counselors who speak their language. at: <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>.)

I know that a lot of this information may be available online, but as you know that not everyone is able to access information online. Covid places additional challenges to using the internet in public spaces. Can homeowners come to a branch to get this same information? What languages is this information available in, either in posters or handouts. Is there social media in English, Spanish and other languages to share this information. Are homeowners being made aware that coming into a branch is an option? Any information you can provide regarding how homeowners are being made aware of these options would be greatly appreciated.

If possible, we would like to receive this information in advance of the September 22nd meeting so that we can have a meaningful dialogue on that day. One or more of our foreclosure attorneys will join the meeting. We also hope to have representatives from the local housing counseling agencies. Since this maybe a longer conversation we can add 30 minutes on September 22nd to discuss this. While zoom will not be available for the last 30 minutes. we can just do a conference call.

Thanks' so much for our conversation yesterday. It has been an honor to work with you over the decades. Rochester is very luck to have someone with a deep and sacred connection to the Black and Brown community. Someone who is able to elevate the voices of the unheard to the highest reaches of M and T Bank.

In gratitude,

Ruhi Maker. Esq.