

FAX (301) 433-9137

June 27, 2006

Mr. John Woodruff
National Bank Examiner
Large Bank Supervision

Re: Harris Bank Comments

Dear John:

On behalf of the CRA Coalition and Woodstock Institute, a Chicago-based community economic development research and policy development organization, we would like to thank you for the opportunity to comment on the community development lending, financial services, and grants and investments of Harris Bank in the Chicago metropolitan region.

In 2005, the Bank consolidated 26 separate Illinois bank charters into one national bank charter. This is the first examination of Harris since it merged several of its bank charters and offers the CRA Coalition the chance to examine the lending and bank branch patterns of the entire bank. Based on these patterns, we would like to comment on Harris Bank's positive CRA policies, as well as several concerns with the bank's lending and branch distribution.

Harris has several positive CRA policies. It is one of the few large banks in the region that continues to hold neighborhood review board meetings which began in the Chicago area in 1984. At those quarterly meetings, community organizations have the opportunity to learn more about the bank's community development efforts, which include affordable home finance, small business lending, and community development grants and investments.

Harris has a very good record of home mortgage lending to low- and moderate-income (LMI) consumers. In 2004, the most recent date of available data, its ratio of home mortgage lending to LMI consumers to middle- and upper-income (MUI) consumers was 1.08 to 1. The bank's ratio of lending to Hispanics to whites was also equitable, with a market share ratio of 1.01 to 1.

Unfortunately, the bank has less favorable ratios of lending to African American borrowers. Its ratio of home mortgage lending to African-Americans to whites is only 0.35 to 1. Harris also has a poor record of lending in minority communities. Its ratio of home mortgage loans in minority census tracts to non-minority census tracts is 0.48 to 1.

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We are also concerned about Harris Bank's home mortgage and small business lending in low- and moderate-income communities. Its ratio of home mortgage loans in LMI census tracts to MUI census tracts is 0.51 to 1 and its small business lending ratio is 0.56 to 1.

Harris Bank also ranks below average in branches in LMI and minority census tracts. The average percentage of bank branches in LMI communities in the region is 14.5 percent compared to Harris Bank's 11.4 percent. Harris Bank also has only 13.3 percent of its branches in minority communities, compared to a regional average of 16.8 percent.

Sincerely,

Marva E. Williams
Senior Vice President

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