WOODSTOCK INSTITUTE

Advancing Economic Security and Community Prosperity

June 27, 2012

Mr. Steven Maggio
Director for District Licensing
Office of the Comptroller of the Currency
340 Madison Avenue, Fifth Floor
New York, NY 10173-0002

RE: **Application filed by Capital One, NA to merge with ING Bank, FSB**

Dear Mr. Maggio:

I am writing you from Woodstock Institute to join the National Community Reinvestment Coalition (NCRC) in urging you to extend the comment period and hold public hearings on Capital One's application to merge with ING Bank, FSB. An extension and public hearing would be in the public's interest and would benefit the decision-making process. Capital One's application is incomplete and does not provide enough information enabling the general public to assess if this merger would confer significant public benefits. We believe that our concerns raised by this application can only be addressed by additional public deliberation of this merger.

About Woodstock Institute

Woodstock Institute is a leading nonprofit research and policy organization in the areas of fair lending, wealth creation, and financial systems reform. Woodstock Institute works locally and nationally to create a financial system in which lower-wealth persons and communities of color can safely borrow, save, and build wealth so that they can achieve economic security and community prosperity. We conduct research on financial products and practices, promote effective state and federal policies, convene a coalition of community investment stakeholders working to improve access to credit, and help people use our work to understand the issues and develop and implement solutions.

Capital One's application should include details on its community reinvestment commitments

The OCC's regulation requires the agency to consider the probable effects of the merger on the convenience and needs of the community. The best way to consider the probable or future effects of the merger is to consider Capital One's $180 billion community investment pledge that it announced during the public hearings held by the Federal Reserve. Capital One does not mention the pledge in its most recent application, however.

The pledge's deficiencies noted by NCRC, of which my organization is a member, remain unresolved. Almost 60 percent of the pledge is focused on high-cost credit card and automobile lending. In addition, the promised increases in home and small business lending cannot be verified using the publicly available data. Capital One and the OCC must provide more data and analysis of these aspects of the pledge to demonstrate specific increases in responsible and affordable lending for states and localities. The promise of increased lending must be rigorously assessed.

Capital One's application should include an improvement plan for CRA exam tests where it received less than a High Satisfactory score

Capital One must also be required to improve in areas where it received less than a high satisfactory in previous CRA exams. According to an analysis by the National Community Reinvestment Coalition, Capital One received Low Satisfactory ratings on its service test in Connecticut, Delaware, Maryland, New Jersey, and Virginia, either because of poor branch distribution in low- and moderate-income neighborhoods or low levels of community development service. The analysis also found that Capital One has no branches in low- or moderate-income census tracts in Baltimore, although the OCC gives Capital One credit for having two branches in middle- and upper-income communities within one mile of low- and moderate-income tracts. The OCC should require Capital One to improve its branching distribution and its level of community development services to better serve low- and moderate-income communities. Moreover, Capital One must be required to improve lending to low- and moderate-income borrowers, which was found lacking by the most recent CRA exam.

Capital One's application also does not address the OCC's regulatory requirement of discussing any "planned office closings or reductions in services." In April, Capital One announced the dismissals of 490 assistant branch managers, concentrated in key service areas including New York, Louisiana, Texas, and Washington, DC. These significant layoffs of important branch staff suggest that cutbacks in services or branch closings are not too far behind. This is contrary to previous Capital One assertions that it was expanding branches. In addition, the current application states that no new ING branches will be established. Capital One did commit to the Federal Reserve that existing ING cafes would be converted to branches, thus triggering additional CRA assessment areas that receive ratings.

Finally, the OCC's regulation requires an analysis of whether the bank will provide less costly services after a merger. However, a recent New York Times article describes Capital One's aggressive subprime credit card offerings, including cards marketed to customers recently experiencing bankruptcy. It appears that risky lending practices will continue in direct contradiction to the regulatory requirement to ensure affordable services.

Conclusion

We respectfully request that the public comment period be extended to gather further input on these issues. We also request that the OCC requires Capital One to provide additional information on how it will meet the convenience and needs of low-wealth communities.

Sincerely,

Tom Feltner
Vice President

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cc. National Community Reinvestment Coalition