



Advancing Economic Security
and Community Prosperity

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March 15, 2016

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Re: West Garfield Park – Chase Branch Closure

Members

Lehia Franklin Acox
LFA

Dear Barry:

Bobbi Ball
Partners in Community
Building

We are writing to express our concerns about the closure of Chase’s West Garfield Park branch in Chicago.

James H. Carr
Housing Finance,
Banking and Public Policy
Consultant

At the outset, we are uncertain as to when the public comment period began and ended. We were unable to find notice of the closure on the OCC’s website. Regardless, we offer these comments out of concern about whether the banking needs of West Garfield Park would be met in the wake of this closure. We also would like this letter to be made part of Chase’s public CRA file.

Maria Choca Urban
Cook County Bureau of
Administration

Byna Elliott
Fifth Third Bank

West Garfield Park is a majority minority, lower-income community. We posed a number of questions to Chase, and are dissatisfied with the substance and completeness of the answers we received. Our first concern is about the lack of community engagement during the pre-closure process. Chase said that it did not have talks with neighborhood groups. In our view, to appropriately evaluate community impact, you need to seek input from the community itself. Absent such input, Chase’s predictions about how and whether West Garfield Park residents will receive banking services in the future is speculation.

Adrian Esquivel
Enlace Chicago

Thomas FitzGibbon, Jr.
NHS of Chicago

Dunni T. Cosey Gay
Chicago Cook Workforce
Partnership

Gordon Mayer
Gamaliel Foundation

Chase’s answers to our questions indicates that Chase believes that mobile banking will substantially make up for the lack of banking access caused by the closure of this branch. We disagree with this assumption. Chase did not provide us with the percentage of customers at the West Garfield Park branch who use mobile banking and mobile deposits. A 2014 report by National Urban League, the National Council of La Raza, and the National Coalition for Asian Pacific American Community Development presented results of a survey of over 5,000 minority individuals.ⁱ Only 11% of respondents were comfortable conducting financial transactions online or with a mobile device. Further, a 2014 FDIC paper on mobile banking shows that while there is prevalent use of mobile phones by lower- and moderate-income (LMI) individuals, such individuals are less likely to use smart phones as compared to the general population,

George Lipsitz
University of California,
Santa Barbara

Dory Rand
Woodstock Institute

Ed Williams

Stacie Young
Community Investment
Corporation

Founder

Sylvia R. Scheinfeld
1903-1990

and mobile banking has some significant disadvantages compared to branches for many in the LMI population.ⁱⁱ For example, the FDIC noted that one-on-one interaction is still important for the underserved, particularly for coaching and guidance.

Our experience working on age-friendly banking has taught us that most older adults are uncomfortable utilizing mobile banking services. We asked Chase for the percentage of customers at the West Garfield Park who are elderly, but Chase did not provide us with that data.

We are also concerned about how this branch closure would affect economic activity in the area. A 2015 study by a University of California economist found that small business lending is 8% lower for several years after a closing and that this decline is more severe in low-income and high-minority tracts.ⁱⁱⁱ

Due to these concerns, we are requesting that the OCC convene a meeting to explore the feasibility of obtaining alternative financial services in the West Garfield Park area.

Very truly yours,



Dory Rand
President

cc: Paul Ginger
OCC Large Bank Licensing Lead Expert
Lela Wingard
Naomi Camper
Damion Heron

ⁱ "Banking in Color: New Findings on Financial Access for Low- and Moderate-Income Communities." NCLR. 2014. http://www.nclr.org/images/uploads/publications/bankingincolor_web.pdf. Accessed March 16, 2016.

ⁱⁱ "Assessing the Economic Inclusion Potential of Mobile Financial Services." Federal Deposit Insurance Corporation. June 30, 2014.

ⁱⁱⁱ Nguyen, Hoai-Luu. "Do Bank Branches Still Matter? The Effect of Closing on Local Economic Outcomes," October 2015. http://faculty.haas.berkeley.edu/hqn/nguyen_branches_20151001.pdf. Accessed March 14, 2016

