

Comerica Bank
Note to Public Comment File
July 2018

The brief notes below provide further information and context with regard to the attached three documents.

California Reinvestment Coalition

The bank entered into a covered agreement with this organization in late 2014. The agreement covered calendar years 2015 through 2017. Regulations related to covered agreements require that a copy of the annual data submission be included in the public comment file.

Innercity Community Development Corporation

This Dallas, TX, based community partner contacted the bank in May 2018 and their letter contained comments about the bank's small business lending performance. Therefore, the letter has been included in the public comment file. Note that the bank's Senior Vice President, External Affairs Manager met with the organization in June 2018.

Uplift, Inc.

This organization, which is based in Detroit, MI, contacted a member of the Board of Directors of Comerica, Inc. and expressed various concerns related to the bank's charitable contributions. Her concerns were addressed and she was provided with the contents of the bank's CRA Public Comment file.

July 2, 2018

Mr. Robert Frierson, Secretary of the Board
Attention: CRA Sunshine Agreements and Reports
Mail Stop 29
Board of Governors of the Federal Reserve System
20th and Constitution Avenue, N.W.
Washington, DC 20551

Dear Mr. Frierson:

Enclosed is a copy of the annual report covering the CRA-Related Agreement made by Comerica Bank in compliance with Regulation G, The Sunshine Rule.

The annual report describes Comerica's banking efforts during 2017 in relation to the CRA-Related Agreement between Comerica Bank and the California Reinvestment Coalition (CRC), entered into and adopted on April 6, 2015.

NGEP

California Reinvestment Coalition
474 Valencia Street, Suite 110
San Francisco, CA 94103

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Comerica Bank
Corporate Compliance Department
2321 Rosecrans Avenue, Suite 5000
El Segundo, CA 90245

Details of the Agreement are contained in the enclosed Comerica Bank CRA Plan 2017 Annual Report.

If you have questions or need further information, please call me at (310) 297-2263.

Sincerely,

William E. Becker
Senior Vice President, CRA Manager
Corporate Compliance & Community Reinvestment



CALIFORNIA REINVESTMENT COALITION

I. Small Business Lending in California for 2017

(Please note that we are **only** referring to **CRA qualified small business loans** originated in 2017)

- 1. What was the total number and amount of small business loans made through:
a. SBA programs? # 99 \$ 13,768,000
b. The California Small Business Loan Guarantee Program? # 0 \$ 0
c. Small business credit cards? (via Elan partnership) # 966 \$ 12,129,000
d. The bank's own small business loan products (not SBA, credit cards, or through the state loan guarantee)? # 1,475 \$396,827,000
2. What was the median size of the bank's 2017:
a. SBA loans? \$ 139,000
b. The California Small Business Loan Guarantee Program? \$ N/A
c. Own small business loan products (not SBA, credit card or state loan guarantee)? \$ 269,000
3. What was the total amount of small business loans (not including SBA or credit cards) made to:
a. Businesses with annual revenue under \$1 million? \$ 55,804,000
b. Business located in census tracts with 50% or more people of color? \$189,047,000
c. Please list the under-served demographic communities for which you track small business lending (i.e., women, people of color, LGBT, etc.) and indicate the total amount of small business loans made to these communities. \$ N/A*

* Comerica Bank does not collect or track information about any of the borrowers in the categories listed in item 3.c.

4. Does the bank provide small business loans to business owners who use an ITIN (Individual Taxpayer Identification number)? Yes No

5. Does your bank have a formal referral program to refer small business loan applicants who are denied? Yes No

If so, what percent of denials were directly referred for technical assistance or to non-profit lenders and credit assistance providers? 55%*

*The bank does not have a formal, centralized process for tracking the disposition of all denied small business loan applications. However, one business unit is most appropriate for involvement with the bank's CDFI referral program. Using data from that unit, 278 applications were denied in 2017. Of this total, 153 were referred to CDFI partners that participate in the bank's referral program.

6. How much did the bank provide for small business technical assistance through grant contributions? \$ 350,000



CALIFORNIA REINVESTMENT COALITION

7. Does your bank do business with “fintech” lending companies, including non-bank lenders or similar alternative finance providers in the following ways?

- | | | |
|---|-----|--------------------------|
| a. Own | Yes | <input type="radio"/> No |
| b. Invest equity in | Yes | <input type="radio"/> No |
| c. Provide debt financing to | Yes | <input type="radio"/> No |
| d. Purchase loans from | Yes | <input type="radio"/> No |
| e. Contract with to provide a lending platform and/or technology for your bank’s lending platform | Yes | <input type="radio"/> No |

f. In one or two paragraphs, please describe the best practices you follow ensure that the loans offered by or through the finance providers that you work with have affordable terms:

N/A

8. Does your bank offer merchant cash advances or invest in, lend to, or otherwise facilitate companies that do?

Yes No

Thank you for responding.



CALIFORNIA REINVESTMENT COALITION

II. Single-Family Lending, Foreclosure and Related Activity in California for 2017¹

1. What is the total number and amount of CRA qualified conventional (non-jumbo) mortgage loans originated (not purchased) to borrowers who were:

a. Low or moderate income?	#	<u>6</u>	\$	<u>1,207,000</u>
b. Middle or higher income owner-occupants who purchased in a low or moderate-income census track?	#	<u>3</u>	\$	<u>932,000</u>
c. African-American?	#	<u>0</u>	\$	<u>0</u>
d. Latino?	#	<u>3</u>	\$	<u>831,000</u>
e. Asian?	#	<u>3</u>	\$	<u>991,000</u>
f. Native American?	#	<u>1</u>	\$	<u>153,000</u>
g. Other race/races?	#	<u>0</u>	\$	<u>0</u>
h. Race unknown?	#	<u>9</u>	\$	<u>8,724,000</u>

2. What is the total number and amount of CRA qualified, non-jumbo mortgage loans originated (not purchased) through:

i. FHA	#	<u>0</u>	\$	<u>0</u>
j. Bank's own portfolio product	#	<u>0</u>	\$	<u>0</u>
i. What is this product called? N/A				
k. Fannie Mae, Freddie Mac or other GSE loan program	#	<u>0</u>	\$	<u>0</u>

3. How many foreclosure notices did the bank file? # 9

4. Does the bank have necessary servicing policies in place to ensure successors in interest (i.e., widows) can assume and modify loans? Yes No

5. Does the bank provide mortgage loans to owner-occupant borrowers using individual tax identification numbers (ITIN) numbers? Yes No

Thank you for responding.

¹ In years past, we have not asked for data we could pull from other sources, such as from CRA Wiz. However, CRA Wiz does not update HMDA data until very late in the year. For that reason, we are now asking you for this data directly.



CALIFORNIA REINVESTMENT COALITION

III. Housing, Economic and Community Development Lending in California for 2017

1. What is the total amount of CRA qualified loans made to develop or preserve affordable housing? \$36,814,000

- a. In total, how many units of housing did these loans finance? # 262*
b. What percent of these housing units are subject to deed restrictions, affordability covenants, and/or equity recapture to be affordable to LMI residents for at least 30 years? 100%

*While the bank made 16 loans totaling \$36.8 million in support of affordable housing development or preservation, it is not possible to quantify all units developed as a result of the loans. The number and percentage above are for loans where the units were verifiable.

2. Does the bank conduct due diligence to ensure that community development loans do not result in displacement (as an example, by eviction under the Ellis Act)? Yes No

3. How much did the bank originate in CRA qualified economic and community development loans that were not housing related? \$59,714,000

4. Did the bank originate loans that support community development that do not currently qualify for CRA? If so, please use this space to describe the projects and amounts. Not applicable

- a. Project 1:
b. Project 2:
c. (add more projects as needed)

5. Does the bank track or otherwise identify community development loans that create or retain jobs, or support workforce development or job training programs for low- or moderate-income or unemployed persons? Yes No

a. Approximately how many new jobs were created for residents in low or moderate-income census tracts? N/A*

*In the bank's experience, many community development loans create jobs for LMI people, such as in the construction, retail sales or restaurant industries. However, in most cases it is very difficult to quantify the number of jobs created that can be attributed to a specific loan.

b. Is the bank tracking information about the quality of jobs created or retained? Yes No

6. How many of the bank's CRA qualified housing, economic and community development loans were in communities subject to limited scope review for CRA exam purposes? 43% (18 of 42 loans)

Thank you for responding.



CALIFORNIA REINVESTMENT COALITION

IV. Housing, Economic and Community Development Investment in California for 2017

- 1. What is the total amount of the bank’s new housing, economic and community development investments in 2017 that was:
 - a. Tax credit investments including federal and state Low Income Housing Tax Credits, New Markets Tax Credits and other tax credit programs? \$ 27,557,786
 - b. Non-tax credit investments, including to CDFIs, CDCs and other nonprofit lenders? \$ 1,956,000
 - c. Of this amount, specifically EQ2 financing? \$ 0
 - d. Other programs? Please describe. **Zero interest CD** \$ 100,000

- 2. Has the bank revised any key terms of LIHTC deals since the 2016 presidential election that may result in the project having financing gaps or not going forward? Yes No

- 3. What is the amount of housing, economic and community development investments made during 2017 that were in communities subject to limited scope review for CRA exam purposes? \$ 12,571,116

- 4. What is the current balance (portfolio) of the bank’s active investments (including and up to 2017) in:
 - a. Tax credit investments including federal and state Low Income Housing Tax Credits, New Markets Tax Credits and other tax credit programs? \$ 153,780,633
 - b. Non-tax credit investments, including to CDFIs, CDCs and other nonprofit Lenders? (as an example, EQ2 financing) \$ N/A
 - c. Other programs? Please describe. **Zero Interest CD** \$ 100,000

- 5. How much does the bank spend in California for procured and vendor services? \$ 14,337,432

- 6. How much of that spending was to businesses owned by:
 - a. Women business owners \$ 4,740,416*
 - i. Of this amount, how much was for business owners who are women of color? \$ N/A*
 - b. African-American business owners \$ 488
 - c. Asian and Pacific Islander business owners \$ 1,853,161
 - d. Latino business owners \$ 378,485
 - e. Lesbian, gay, bisexual or transgender business owners \$ 0
 - f. If there are procured services not included in the total spend, please list them and the amount of spent for those here. \$ 170,256*

**In 2017, the bank spent \$50 with Native American owned businesses, \$40,852 with businesses owned by persons with disabilities, \$119,328 with veteran owned businesses and \$10,026 with a category that includes all diverse designations where the diversity category is not specified.*

Thank you for responding.



CALIFORNIA REINVESTMENT COALITION

V. Consumer Financial Services and Loans in California for 2017

- 1. Does the bank waive out-of-network surcharge fees to users of state-issued public assistance cards, such as EBT cards for CalWORKs, Refugee Cash Assistance, and General Assistance? Yes No
 - a. If so, has the bank requested or plan to request CRA consideration for this activity under the service test? **The bank is planning to request consideration for this in its next exam** Yes No

- 2. Does the bank offer a transaction account that meets CRC's SafeMoney standards or the national Bank On standards? Yes No

(SafeMoney standards are [available here](#)). National Bank on standards are [available here](#)).

- a. If so, what is that account called?
- b. If not, what is the name of the account that comes closest?

The bank offers the Access Checking Account for which monthly service charges and fees are waived for customers who own a home or have direct deposit. No minimum balance is required and only \$50 is required to open the account. Free web banking and telephone banking are also provided.

- 3. What percent of new accounts opened last year opted into some form of overdraft service? _____ 13.5%
 - a. How many new account openers opted into an overdraft program that transfers funds from linked savings or credit accounts? _____ 18.4%

- 4. Does the bank lend to or invest in payday or high-cost installment lenders? Yes No

- 5. Does the bank offer small dollar personal or consumer loans (\$5,000 or less)? Yes No

- 6. Does the bank financially support CDFIs or other non-profits that offer small dollar consumer loans (other than payday loans)? **The bank supports CDFIs that offer microbusiness loans** Yes No

- 7. What was the total volume of the banks CRA qualified consumer loan originations? \$383,354,000

8. Please describe any activities that the bank does to support families adjusting immigration status. This can include offering loans to applicants under Deferred Action for Childhood Arrivals, support to nonprofit lenders who provide these loans or other activities.

Although the bank does not have programs to directly support families that are adjusting their immigration status, it is supportive in other ways. For example, the bank accepts the matricula consular card as primary identification when opening deposit accounts. The bank also provides grants to numerous organizations that support this segment of the community by providing social services, small business technical assistance and small business microloans.



CALIFORNIA REINVESTMENT COALITION

VI. Charitable Giving in California for 2017

1. What was the total amount of the bank's CRA qualified charitable contributions? \$ 2,236,823
2. How much of that amount went to nonprofit organizations that do affordable housing, economic development or consumer asset building activities (including financial coaching, credit counseling and related)? \$ 1,247,740
3. Does the bank collect data about the impacts of programs it supports through charitable contributions?
 Yes No
- a. If so, does the bank report these outcomes to CRA examiners? Yes No

Thank you for responding.



May 8, 2018

Irvin Ashford, Jr.
SVP – Texas Market
Community Development & External Affairs Director
1717 Main Street, 4th Floor MC6554
Dallas, TX 75201

Hello Irvin,

I hope you are doing well.

Our organization has been working with the National Community Reinvestment Coalition (NCRC) and learning more about the Community Reinvestment Act (CRA) and the process of commenting on CRA exams, mergers, and branch closures.

We noticed that Comerica is scheduled for its CRA exam in the third quarter. We had NCRC take a look at your local small business lending, and they noticed that Comerica trailed non-credit card lenders in lending to small businesses by 21% in Dallas County from 2015 to 2016, and by 22% in Comerica's larger Dallas assessment area.

We are hoping to schedule some time to meet with you to discuss how we may be able to assist Comerica with reaching more small businesses in Dallas. Please let me know when you would be available to meet.

Yours Sincerely,

Diane Ragsdale
Managing Director

Cheatham, Michael

From: Cheatham, Michael
Sent: Monday, May 21, 2018 5:56 PM
To: 'Ida Byrd-Hill'
Subject: Modified.HMDA.LAR.2017-MICHIGAN.xlsx
Attachments: Modified.HMDA.LAR.2017-MICHIGAN.xlsx

Hello Ms. Byrd-Hill,

Notwithstanding what is being sent to you via express mail, I believe that this is the last item in the Regional Public File containing data for years 2015 through 2017. Please compare the items you received, to the list of contents I sent to you on May 7th. If there are any of the required items missing, please let me know and I will send them to you. Thank you.

Michael K. Cheatham | Vice President, CRA Manager | Corporate Compliance | Community Reinvestment
411 W. Lafayette Ave. | MC 3352 | Detroit, MI 48226

F



Cheatham, Michael

From: Ida Byrd-Hill
Sent: Monday, May 07, 2018 6:59 PM
To: Cheatham, Michael
Subject: Re: CRA Program
Attachments: image001.png

Please send the entire electronic file 2015-2017

Ida Byrd-Hill
Uplift, Inc.

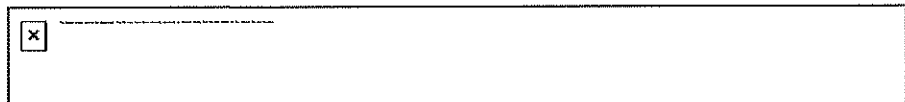
On Mon, May 7, 2018, 5:27 PM Cheatham, Michael wrote:

Hello Ms. Byrd-Hill,

The Community Reinvestment Act ("CRA") Public File is available for review by any member of the public. Copies are provided at no cost. Attached is a list of information contained in the Regional Public File, as prescribed by the regulation. Note that the regulators dictate what years we include, based on the category. Please advise as to which items, if not all, you would like to see. The volume of information may require us to send it in files separated into multiple e-mails. Please advise. Thank you.

Michael K. Cheatham | Vice President, CRA Manager | Corporate Compliance | Community Reinvestment

411 W. Lafayette Ave. | MC 3352 | Detroit, MI 48226



Please be aware that if you reply directly to this particular message, your reply may not be secure. Do not use email to send us communications that contain unencrypted confidential information such as passwords, account numbers or Social Security numbers. If you must provide this type of information, please visit comerica.com to submit a secure form using any of the "Contact Us" forms. In addition, you should not send via email any inquiry or request that may be time sensitive. The information in this e-mail is confidential. It is intended for the individual or entity to whom it is

Cheatham, Michael

To: Cheatham, Michael
Subject: FW: CRA Program

From: Ida Byrd-Hill |
Sent: Thursday, May 03, 2018 5:44 PM
To: Bridges, Wendy ; Cheatham, Michael
Subject: Re: CRA Program

Thank you.

I would like to have the files for 2015-2017 with details of distribution.

▪

Ida Byrd-Hill
President
Uplift, Inc.

[Book a meeting here](#)

On Thu, May 3, 2018 at 4:11 PM, Bridges, Wendy wrote:

Ms. Byrd-Hill,

It is my understanding that you have an interest in our CRA program.

We would be happy to share with you a copy of our Michigan CRA Public File. If you would like to see it, please contact Michael Cheatham via email at _____ and he will make the arrangements necessary to provide you with an email or hard copy.

Thank you.

Wendy Bridges | SVP, Corporate Communications & Executive Administration

Comerica Bank | [1717 Main Street](#) | MC 6409 | Dallas, TX 75201



Please be aware that if you reply directly to this particular message, your reply may not be secure. Do not use email to send us communications that contain unencrypted confidential information such as passwords, account numbers or Social Security numbers. If you must provide this type of information, please visit comerica.com to submit a secure form using any of the "Contact Us" forms. In addition, you should not send via email any inquiry or request that may be

Cheatham, Michael

To: Cheatham, Michael
Subject: FW: Community Reinvestment Act (CRA)

From: Ida Byrd-Hill
Sent: Thursday, April 26, 2018 9:25 AM
To: Turner, Reginald M., Jr.
Subject: Community Reinvestment Act (CRA)

Comerica has an interesting way of administering its CRA funds. While they have been my corporate bank for a few years I have yet to receive 1 donation from them. I just got another declination this month.

I requested a full accounting of CRA dollars in 2017 as it appears those dollars are going to non impacted community organizations, ie Belle Isle Conservancy, Hatch, Business Leaders of Michigan, violating CRA. I met with Sue Schmidt and Mike Cheatham, your CRA officer, regarding dilemma after they distributed \$50000 to Hatch Detroit who withdrew a Black entrepreneur semifinalist after they told her she had won. While they compensated by selecting 4 African descent winners for Hatch 2018, Mike Cheatham stated has was not obligated to provide such information so hence I have yet to receive that CRA accounting and neither have I received a donation. I received another declination 4/2018 for a \$2500 request.

Frankly, if Comerica Bank can provide donations of \$50,000 or more to non-Black led nonprofits it is a insult to provide \$2500 to Black led nonprofits which has been the customary procedure.

I need to see the CRA accounting in full, in the same detail as it is provide to your regulatory bodies. I reached out to those regulatory bodies who stated by law it has to be disclosed. As an economist, who specialized in money & banking, (see my attached Bio) I am irritated that my own bank has played such games in providing this information. Please forward the CRA accounting in detail for 2015 - 2017.

Ida Byrd-Hill
President
Uplift, Inc.