

January 16, 2003

Ms. Lynn Bedard
Community Affairs Liaison
Office of Thrift Supervision
1475 Peachtree Street, NE
Atlanta, GA 30309

Dear Ms. Bedard:

Please consider this letter as an addendum to our December 17, 2002 comments concerning MAF Bancorp's (parent company of MidAmerica Bank) proposed acquisition of Fidelity Federal Savings Bank. On December 30, 2002, the Bank announced that it was settling with the Department of Justice (DOJ) regarding fair lending disparities and discrimination against residents of minority census tracts. The Bank has agreed to:

- Open or acquire two branch offices in minority areas within 30 months.
- Implement a targeted ad campaign to increase home mortgage lending.
- Provide \$10 million in benefits to borrowers through special financing programs to help residents of minority areas achieve home ownership.
- Contribute \$500,000 to homebuyer education and counseling programs, and conduct an assessment of the home mortgage credit needs of residents in minority areas.

We are glad that DOJ took this case seriously and that the Bank has agreed to amend some of its current practices. But we are very concerned that the Bank's proposed acquisition of Fidelity Bancorp will more than offset any positive gains made through this settlement. As we mentioned in previous comments, Fidelity Federal Savings Bank has five branches in the Chicago region, all of which are in MUI areas. Fidelity also has an appalling history of lending to African-Americans. The two branches that MAF Bancorp has agreed to build (or acquire) in minority areas will be more than

counterbalanced by the five new branches in upper-income, mostly white areas that Fidelity currently possesses.

We understand that DOJ could not take this proposed acquisition into account when it was conducting its fair lending review. However, in light of this recent settlement, we think that OTS should deny MAF Bancorp the opportunity to acquire Fidelity Bancorp. This acquisition will not benefit minority or low-income residents or census tracts in the Chicago area, which is what MAF Bancorp has agreed to do in its settlement. If the OTS decides to approve the merger, we would recommend that OTS ask for a stronger commitment from MidAmerica regarding its presence in and services to minority communities than what is outlined in the Department of Justice consent order.

Thank you for your continued attention to this important matter.

Sincerely,
Katy Jacob
Research, Communications and Development Associate

cc: Andrew Glas, CRA Compliance Officer, Mid America Bank