

April 27, 2004

Ms. Paulette Myrie-Hodge
Regional Director Illinois
Federal Reserve Bank of Chicago
230 S. LaSalle St.
Chicago, IL 60604-1413

Dear Ms. Myrie-Hodge

I am writing from Woodstock Institute regarding the ongoing CRA examination of The Northern Trust Company. For over 30 years, Woodstock Institute has worked locally and nationally to promote reinvestment and economic development in lower-income and minority communities. Woodstock convenes the Chicago CRA Coalition, a coalition of Chicago area organizations working for increased investment by financial institutions in the region's underserved communities.

Our analysis of Northern Trust's mortgage lending shows room for improvement in certain of the bank's product lines. Most troubling is the bank's home improvement lending. Table 1 shows that the bank's home improvement lending market share ratios (MSRs) are substantially worse than Northern Trust's other lending numbers (LMI/MUI - .30; African-American/White - .24; Hispanic/White - .40). We are not aware of details of the bank's home improvement products, but it appears these products are disproportionately marketed to white, middle- and upper-income borrowers. We also note that the bank has room for improvement in its home purchase and refinance lending to low- and moderate-income borrowers, and its home purchase lending to Hispanic borrowers. On the positive side, Northern Trust's home purchase lending to African-Americans and refinance lending to African-Americans and Hispanics appear fairly strong.

Table 1: 2002 Northern Trust Lending by Borrower Characteristic in Cook, Dupage, and Lake Counties

Loan Types	2002 Market Shares		MSR LMI/MUI	2002 Market Shares			Market Share Ratios	
	LMI	MUI		White	Black	Hispanic	Blk/Wht	Hisp/Wht
Home Purchase	0.55%	0.89%	0.62	0.94%	0.81%	0.45%	0.86	0.48
Home Improvement	1.62%	5.42%	0.30	5.94%	1.41%	2.36%	0.24	0.40
Refinance	0.45%	0.62%	0.72	0.62%	0.86%	0.57%	1.39	0.93

We ask you to fully consider these comments when evaluating the Northern Trust Company's CRA performance.

Sincerely,

Geoff Smith
Project Director

CC: Debby Kasemeyer, The Northern Trust Company