

**Testimony of  
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**To the Chicago City Council Committee on Finance  
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My name is Marva Williams. I am the Senior Vice President of Woodstock Institute. I appreciate this opportunity to testify regarding the proposed acquisition of Bank One by J.P. Morgan Chase. Woodstock Institute is a Chicago-based national community development research and advocacy organization. The Institute convenes the Chicago CRA Coalition, an association of over 50 Chicago-area community groups with a mutual interest in working with financial institutions to increase lending, investments, and bank services in the region's lower-income and minority communities.

In 1998, the Chicago CRA coalition negotiated a six-year, Chicago six-county region **community reinvestment** agreement with First Chicago/NBD-Bank One. The agreement was for specific year-by-year targets for home and small business lending, and significant targets for bank investments and services. The Coalition has subsequently met regularly with Bank One to review progress toward those goals.

In February 2004, Bank One and JPMC entered discussions with the Chicago CRA Coalition to **discuss new goals for the years 2004-2009**. We are pleased that these discussions have also been about concrete, verifiable goals. The new **six-year memorandum of understanding about community reinvestment goals for the six-county region** includes targets for home and small business lending, provisions for guarding against the origination and purchase of predatory loans, for reducing

foreclosures, for various special products designed for special groups of customers,  
the addition of bank

branches in LMI areas, and increased levels of community development grants and investments. The new **memorandum of understanding** also contains provisions for the regular review of data that permit effective monitoring of the **bank's progress in meeting the goals**.

Although this new **understanding** commits the Bank to increasing community development loans, services and investments, the acquisition of Bank One has other major consequences for the Chicago area. The loss of a bank headquarters results in job loss, less civic interest and commitment, and less detailed knowledge of the local community. These issues are not included in the community reinvestment **goals**.

We note with much regret, however, JPMC's refusal to enter similar discussions with community groups and coalitions in other key markets, including the state of Illinois. Without local, verifiable goals, CRA activity is not likely to live up to its potential for serving the needs of lower-income people and communities.

I should also note our deep concern that the Federal Reserve Board has not granted numerous requests to extend the comment period and hold public hearings on the merger in New York and Chicago. As of this writing, numerous community groups, the senior U.S. senator from Illinois, the lieutenant-governor of the state, and the bank itself have asked for public hearings. In the light of these broadly-based requests, we cannot imagine what public interest the Federal Reserve Board thinks it is responsive to given its failure to react positively and in a timely manner.