



February 13, 2023

Simmons Bank
501 S Main St
Pine Bluff, AR 71601

Federal Reserve Bank of St. Louis
P.O. Box 442
St. Louis, MO 63166-0442

RE: NOTICE OF APPLICATION

The undersigned community organization is submitting this letter to support Simmons Bank's application to establish a branch at 2498 West Illinois Avenue, Dallas, Dallas County, Texas 75233.

The Community Reinvestment Act (CRA) is a law intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income (LMI) neighborhoods.

Credit Needs:

On page 5 of this Federal Reserve report, the map colors depict areas of greater Dallas County according to credit score and income. The light and dark orange regions reveal that lower credit scores are largely in the southern reaches of the city where lower median household incomes are found.

<https://www.dallasfed.org/-/media/Documents/cd/cct/18cct.pdf?la=en>

Dallas has a housing shortage of approximately 20,000 units.

<https://dallascityhall.com/departments/housing-neighborhood-revitalization/DCH%20Documents/Adopted%20Housing%20Policy.pdf>

Dallas' Small Business Ecosystem Assessment

<https://www.dallasecocodev.org/DocumentCenter/View/2789/Dallas-Small-Business-Ecosystem-Report-PDF>

Report on Housing Affordability and Vulnerability in Dallas, Texas

<https://nalcab.org/nalcab-releases-report-on-housing-affordability-and-vulnerability-in-dallas-texas/>

FINDING G: MINORITY OWNED BUSINESSES ACCESS TO CREDIT/CAPITAL ANALYSIS (CHAPTER 6)

<https://dallascityhall.com/departments/public-affairs-outreach/DCH%20Documents/availability-disparity-study.pdf>

City of Dallas Economic Development Plan

<https://www.dallasecodev.org/544/Strategic-Economic-Development-Plan>

The Dallas–Fort Worth–Arlington metropolitan statistical area's population was 7,573,136 according to the U.S. Census Bureau's 2019 population estimates, making it the most populous metropolitan area in both Texas and the Southern United States, the fourth largest in the U.S., and the tenth largest in the Americas. The [Dallas–Fort Worth](#) metroplex has over one million [African-American](#) and the second-largest metro population of African-Americans in Texas.

Dallas is a majority minority city (66.1 percent of population) with 41.8 percent of residents identifying as Hispanic and 24.3 percent identifying as Black.

Dallas is a city with a population of just under 1,344,000, including 24.3 percent African American residents, 41.8 percent Hispanic/Latinx residents, and 3.4 percent Asian residents; and 30.5 White (Non-Hispanic)

Conclusion

We would look forward to Simmons Bank being responsive to our community needs and be a leader in addressing inequality in the DFW MSA.

Sincerely,

James McGee

James McGee
President/Chair
JMcGee@SouthernDallasProgress.com
Southern Dallas Progress Community Development Corporation





Improving Lives, One Community at a Time

September 4, 2023

Southwest Bank (now Simmons Bank)
501 Main Street
Pine Bluff, AR 71611

Federal Reserve Bank of St. Louis
P.O. Box 442
St. Louis, Missouri 63166-0442

RE: Discrimination and Redlining Compliant

Dear Federal Regulator,

The undersigned community organization is submitting this letter to file a redlining and discrimination complaint against Southwest Bank (now Simmons Bank). From 1985 to 2018, Southwest Bank (now Simmons Bank) excluded several Low to Moderate Income Census Tracts from their assessment area map. Also, the census tracts excluded are majority minority.

Southwest Bank (now Simmons Bank) 's exclusion of Southern Dallas' low to moderate income and majority minority neighborhoods from its CRA assessment area reduced credit availability, investments, lending and discouraged prospective applicants.

Simmons Bank Completes Merger of Southwest Bank - February 20, 2018

<https://www.simmonsbank.com/about/newsroom/02202018-simmons-bank-completes-merger-of-southwest-bank>

Southwest Bank (now Simmons Bank) Dallas County Locations as of February 20, 2018.

Branch Address: 1603 Lyndon B Johnson Fwy Farmers Branch, TX 75234; Date Established 08/15/1985; Location in an upper income census tract North of Interstate 30. (MSA-State-County-Tract: 19124-48-113-0140.02)

REDLINING CONCERNS/ DESCRIPTION OF ASSESSMENT AREA

Dallas MD AA consists of 529 contiguous census tracts in Dallas County, which comprises a portion of the Dallas-Plano-Irving MSA and has a total population of 2,667,720. According to the 2015 ACS US Census, the assessment area contained 107 low-income, 187 moderate-income, 110 middle-income, 120 upper-income census tracts, and 5 census tracts with no income designation.

CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its performance. Southwest Bank (now Simmons Bank) delineated portions of Dallas County within the Dallas MD AA assessment area.

12 CFR 345.41(e) Limitations on the delineation of an assessment area. *Each bank's assessment area(s):*

(1) Must consist only of whole geographies;

(2) **May not reflect illegal discrimination;**

(3) **May not arbitrarily exclude low- or moderate-income geographies,** taking into account the bank's size and financial condition; and

(4) May not extend substantially beyond an MSA boundary or beyond a state boundary unless the assessment area is located in a multistate MSA. If a bank serves a geographic area that extends substantially beyond a state boundary, the bank shall delineate separate assessment areas for the areas in each state. If a bank serves a geographic area that extends substantially beyond an MSA boundary, the bank shall delineate separate assessment areas for the areas inside and outside the MSA.

[https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345/subpart-C/section-345.41#p-345.41\(e\)](https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345/subpart-C/section-345.41#p-345.41(e))

Southwest Bank (now Simmons Bank) did arbitrarily exclude high minority and low to moderate-income areas in Southern Dallas.¹ Southwest Bank (now Simmons Bank) did **Not** include Southern Dallas (City of Dallas & Dallas County) in their assessment area.

Southern Dallas Zip Codes (LMI/High Minority Areas)

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

The following section discuss demographic in the Southern Dallas area.

- Southern Dallas is home to 43% of all Dallas residents in just 57% of the city's land area.
- Of the 560,000 residents of neighborhoods in southern Dallas, approximately 38% live below poverty - roughly 9% higher than the City's overall poverty rate of 29%.

¹ "<https://www.justice.gov/crt/case-document/report-and-recommendation-united-states-v-kleinbank-d-minn>

<https://www.justice.gov/crt/case-document/order-entering-settlement-agreement-and-agreed-order-united-states-v-first>

<https://www.justice.gov/crt/case-document/consent-order-united-states-v-union-savings-bank-and-guardian-savings-bank-sd-oh-0>

- Overall, 56% of Dallas residents living below poverty live in the southern neighborhoods of Dallas.
- *The City of Dallas is a unique place. There is a difference between "South Dallas" and "Southern Dallas".*
- *The Southern Sector of Dallas (Southern Dallas) is commonly defined as those areas south of Interstate 30.*
- *The Southern Dallas is 196.7 total square miles. 45% of the City's residents live in Southern Dallas (91% of the residents are minorities in Southern Dallas).*

Redlining Violates the Fair Housing Act and the Equal Credit Opportunity Act

The federal financial regulators have long recognized that redlining violates the fair lending laws, including in the following policy documents:

- 1994 Interagency Policy Statement on Discrimination in Lending: Redlining refers to the illegal practice of refusing to make residential loans or imposing more onerous terms on any loans made because of the predominant race, national origin, etc., of the residents of the neighborhood in which the property is located. Redlining violates both the Fair Housing Act and the Equal Credit Opportunity Act.
- 2009 Interagency Fair Lending Examination Procedures: Redlining is a form of illegal disparate treatment in which a lender provides unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristic(s) of the residents of the area in which the credit seeker resides or will reside or in which the residential property to be mortgaged is located.

Courts have repeatedly recognized that redlining is a violation of the Fair Housing Act and the Equal Credit Opportunity Act. *See, e.g., Ring v. First Interstate Mortgage, Inc., 984 F. 2d 924 (8th Cir. 1993); Hirschfeld v. Metlife Bank, N.A., 2012 WL 3240669 (E.D.N.Y. July 31, 2012); JAT, Inc. v. Nat'l City Bank of Midwest, 460 F. Supp. 2d 812, 819-20 (E.D. Mich. 2006); Hargraves v. Capital City Mortg. Corp., 140 F. Supp. 2d 7, 21 (D.D.C. 2000); Milton v. Bancplus Mortgage Corp., 1996 WL 197532 (N.D. Ill. Apr. 19, 1996); Old West End Ass'n v. Buckeye Federal Sav. & Loan, 675 F. Supp. 1100 (N.D. Ohio 1987); Harrison v. Otto G. Heinzeroth Mortg. Co., 430 F. Supp. 893 (N.D. Ohio 1977); Laufman v. Oakley Bldg. & Loan Co., 408 F. Supp. 489 (S.D. Ohio 1976).*

Since the 1990s, the DOJ has litigated multiple court-approved settlements citing redlining as a violation of the Fair Housing Act and the Equal Credit Opportunity Act.

Redlining Violates the Fair Housing Act

The Fair Housing Act, 42 U.S.C. § 3601, et seq., prohibits discrimination in housing and "residential real estate-related transactions" on the basis of race, color, national origin, sex, religion, familial status, or disability. A "residential real estate-related transaction" includes making loans or providing other financial assistance for purchasing, constructing, improving, repairing, or maintaining a dwelling. 42 U.S.C. § 3605(b)(1)(A). In addition, the U.S. Department of Housing and Urban Development ("HUD") has the authority to promulgate regulations to implement the Fair Housing Act, which can be found at 24 C.F.R. Part 100.

Redlining is prohibited under the following provisions of the Fair Housing Act (in relevant part) and its implementing regulation:

- It shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, or national origin.
 - *Fair Housing Act: 42 U.S.C. § 3605(a).*
 - *Regulations: 24 C.F.R. §§ 100.110(b), 100.120(a)-(b).*
- It shall be unlawful to discriminate against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, or national origin.
 - *Fair Housing Act: 42 U.S.C. § 3604(b).*
 - *Regulations: 24 C.F.R. §§ 100.50(b)(2), 100.65.*
- It shall be unlawful to refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, or national origin.
 - *Fair Housing Act: 42 U.S.C. § 3604(a).*
 - *Regulation: 24 C.F.R. § 100.50(b)(3).*
- It shall be unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, or national origin, or an intention to make any such preference, limitation, or discrimination.
 - *Fair Housing Act: 42 U.S.C. § 3604(c).*
 - *Regulation: 24 C.F.R. § 100.50(b)(4).*

Redlining Violates the Equal Credit Opportunity Act

The Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691, et seq., prohibits a creditor from discriminating in any aspect of a credit transaction on the basis of race, color, national origin, sex, religion, marital status, age, because all or part of the applicant’s income derives from any public assistance program, or because of the applicant’s exercise in good faith of any right under the Consumer Credit Protection Act. ECOA applies to any extension of credit, including mortgage loans and small business loans. 15 U.S.C. § 1691a(d). In addition, the Consumer Financial Protection Bureau (“CFPB”) has the authority to promulgate regulations to implement the ECOA, which is known as “Regulation B” and can be found at 12 C.F.R. Part 1002.

Redlining is prohibited under the following provisions of the ECOA and its implementing regulation:

It shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction, on the basis of race, color, or national origin. Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1). Regulation: 12 C.F.R. § 1002.4(a).

- A creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage, on the basis of race, color, or national origin, a reasonable person from making or pursuing an application. Regulation: 12 C.F.R. § 1002.4(b). (See also Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1)).
- ECOA and Regulation B prohibit discrimination on a “prohibited basis,” which includes on the basis of race, color, and national origin. 12 C.F.R. § 1002.2(z). The commentary to Regulation B clarifies that a creditor may not discriminate against persons associated with the applicant on a prohibited basis, including, for example, “because of the race of other residents in the neighborhood where the property offered as collateral is located.” 12 C.F.R. Part 1002, Supp. I, ¶ 2(z)-1.

Regulatory Framework: Bank Supervision and Enforcement

Each of the federal financial regulators has the authority to examine and supervise the regulated financial institutions within its jurisdiction for compliance with the fair lending laws: the Fair Housing Act and ECOA.

ECOA requires the regulators refer matters to the Justice Department when a creditor is engaged in a pattern or practice of discrimination which violates ECOA.

Redlining Cases

Justice Department Announces New Initiative to Combat Redlining

<https://www.justice.gov/opa/pr/justice-department-announces-new-initiative-combat-redlining>

Justice Department and Office of the Comptroller of the Currency Announce Actions to Resolve Lending Discrimination Claims Against Cadence Bank

<https://www.justice.gov/opa/pr/justice-department-and-office-comptroller-currency-announce-actions-resolve-lending>

Justice Department Secures Agreement with Lakeland Bank to Address Discriminatory Redlining

<https://www.justice.gov/opa/pr/justice-department-secures-agreement-lakeland-bank-address-discriminatory-redlining>

Justice Department Secures Over \$31 Million from City National Bank to Address Lending Discrimination Allegations

<https://www.justice.gov/opa/pr/justice-department-secures-over-31-million-city-national-bank-address-lending-discrimination>

Justice Department Secures \$9 Million from Park National Bank to Address Lending Discrimination Allegations

<https://www.justice.gov/opa/pr/justice-department-secures-9-million-park-national-bank-address-lending-discrimination>

Justice Department Announces Actions to Resolve Lending Discrimination Claims Against Evolve Bank and Trust

<https://www.justice.gov/opa/pr/justice-department-announces-actions-resolve-lending-discrimination-claims-against-evolve>

CFPB, DOJ Order Trident Mortgage Company to Pay More Than \$22 Million for Deliberate Discrimination Against Minority Families

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-doj-order-trident-mortgage-company-to-pay-more-than-22-million-for-deliberate-discrimination-against-minority-families/>

Cadence Bank Announces Settlement of Claims Made by U.S. Department of Justice and the Office of the Comptroller of the Currency

<https://www.justice.gov/crt/case/united-states-v-cadence-bank>

Conclusion

The CRA regulation is very clear — a finding that a bank failed to comply with laws on fair and responsible lending trumps otherwise satisfactory or even outstanding CRA performance. The CRA regulations specifically state that a rating will be "adversely affected by evidence of discriminatory or other illegal credit practices," including but not limited to violations of the Equal Credit Opportunity Act, the Fair Housing Act, the Home Ownership and Equity Protection Act, the Federal Trade Commission Act, the Real Estate Settlement Procedures Act, and the Truth in Lending Act.

Southwest Bank (now Simmons Bank) 's board and senior management failed to self-identify redlining risks and taken appropriate corrective action.

We would look forward to this case being reviewed and referred to the U.S. Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB).

Sincerely,

James McGee

James McGee
President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation



Improving Lives, One Community at a Time

November 27, 2023

Simmons Bank RSSD #663245
501 South Main Street
Pine Bluff, Arkansas 71601

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

RE: COMPLAINT AGAINST SIMMONS BANK

Dear Federal Regulator,

The undersigned community organization is submitting this letter to file a complaint against Simmons Bank.

The passing of the 1977 Community Reinvestment Act aimed at reversing the practice of redlining when banks and the government would restrict credit in communities deemed “risky” — based on the race and background of that community’s residents.

The Community Reinvestment Act (CRA), enacted by Congress in 1977 (12 U.S.C. 2901) and implemented by Regulations 12 CFR parts 25, 228, 345, and 195, is intended to encourage depository institutions to help meet the **credit needs** of the communities in which they operate, including low- and moderate-income (LMI) neighborhoods.

Simmons Bank is not meeting the credit needs of our community, which specifically includes low- and moderate-income neighbor located in Southern Dallas.

Southern Dallas Zip Codes (LMI/High Minority Areas)

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

Community Credit Needs Assessment

Simmons Bank failed to conduct a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within the DFW MSA, specifically Southern Dallas.

A Community Credit Needs Assessment is a research-based market study to help a lender identify the needs for financial services in an area.

This assessment should include the following information about majority-Black and Hispanic census tracts within Covered Lending Area: (1) an evaluation (to include market research and interviews) of residential mortgage credit needs and current lending opportunities available in the area; (2) recent demographic and socioeconomic data; (3) potential strategies for Simmons Bank to provide residential mortgage lending services in these census tracts; (4) a review of loan products offered by other lenders and their success in the market; (5) an overview of federal, state, and local programs that are available to residents seeking and obtaining residential mortgage loans;

Community Development Partnership Program

Simmons Bank failed to partner with community-based or governmental organizations that provide the residents of majority-Black and Hispanic census tracts in **Southern Dallas** that provide services related to credit, financial education, homeownership, and foreclosure prevention.

Simmons Bank failed to write a description of how these partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment.

Simmons Bank failed to respond to Southern Dallas Process CDC recent emails to form such partnership.

Exhibit A & Exhibit B

Products available for the Underserved/Minority Communities

Access to affordable credit is a key component of an individual's ability to cultivate a strong financial position and participate fully in the DFW economy. The Equal Credit Opportunity Act of 1974 was passed to protect all consumers, yet the effects of the discrimination endure today.

Simmons Bank failed to offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

- https://household-survey.fdic.gov/place-data?type=msa&area=Dallas_Fort_Worth_Arlington_TX
 - The underbanked/unbanked information is available on the FDIC website.

Simmons Bank failed to Adopt Bank On standards.

- <https://joinbankon.org/accounts/>
- <https://2wvkof1mfraz2etgea1p8kiy-wpengine.netdna-ssl.com/wp-content/uploads/2020/10/Bank-On-National-Account-Standards-2021-2022.pdf>

- <https://www.aba.com/about-us/press-room/press-releases/aba-urges-americas-banks-to-offer-bank-on-certified-accounts>

Simmons Bank does not have any special-purpose credit programs to address disparities in small business & mortgage lending in underserved high minority communities like Southern Dallas.

- <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>
- https://www.hud.gov/sites/dfiles/GC/documents/Special_Purpose_Credit_Program_OGC_guidance_12-6-2021.pdf
- [12 CFR § 202.8 - Special purpose credit programs.](#)
 - <https://www.ffiec.gov/PDF/fairlend.pdf>

Simmons Bank fails to offer Credit Builder Loans or Credit Builder Loans to help Rebuild Southern Dallas LMI residents' Credit History.

- <https://www.dallasfed.org/cd/cct/18cctdallas>

Activities under the CRA since the most recent CRA Performance Evaluation

Simmons Bank failed to describe any significant **Southern Dallas CRA initiatives** undertaken, particularly with respect to credit and deposit products and retail banking services targeted toward low- and moderate-income geographies, African American/Hispanic geographies, and individuals, identifying key elements of the products and services, the approximate date introduced, and results achieved to date.

Simmons Bank failed to provide any details current community outreach and marketing efforts to residents and businesses throughout Bank's low-income census tracts, moderate-income census tracts, and major minority census tracts, **specifically in Southern Dallas.**

Fair Lending Concerns

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the home purchase and small business lending of Simmons Bank in Dallas. This is what NCRC found.

- According to the Home Mortgage Disclosure Act (HMDA) data from 2017 to 2018, SIMMONS BANK made a total of **0 home loans were extended to Blacks (African Americans).**
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2018 to 2019, SIMMONS BANK made a total of **1 home loans were extended to Blacks (African Americans).**
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2019 to 2020, SIMMONS BANK made a total of **5 home loans were extended to Blacks (African Americans).**

- Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
- No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2020 to 2021, SIMMONS BANK made a total of 6 home loans were extended to Blacks (African Americans).
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2021 to 2022, SIMMONS BANK made a total of 14 home loans were extended to Blacks (African Americans).
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- Small Business Lending
 - SDPCDC compared Simmons Bank Co. small business lending to other non-credit card small business lenders in Dallas and found that Simmons Bank trailed in lending to businesses with less than \$1 million in annual revenue from 2017 to 2022.
 - Extremely low amount of small business loans were made in Southern Dallas

Per Simmon Bank's Recent Performance Evaluation

Loan Distribution by Borrower's Profile

The bank's distribution of loans by income or revenue profile is poor.
 HMDA Lending The bank's borrower distribution of HMDA loans is poor.

The bank originated 1.4 percent of its 2019 HMDA loans to low-income borrowers, which trails the level of lending to low-income borrowers by peer institutions in the assessment area (3.6 percent) and is well below the demographic figure (23.4 percent), reflecting poor performance. The bank's level of HMDA lending to low-income borrowers dropped to 0.5 percent in 2020, again trailing aggregate lenders (3.1 percent) and the demographic and reflects poor performance. The bank's HMDA lending to moderate-income borrowers was also poor for both 2019 (8.3 percent) and 2020 (6.6 percent). This performance again trailed peers (13.9 percent in 2019 and 12.7 percent in 2020) and was below demographic levels (16.5 percent).

Small Business Lending

The bank's borrower distribution of small business loans is poor.

In 2019, the bank made 44.9 percent of its loans to businesses with annual revenues of \$1 million or less. This was in line with aggregate lending levels (47.0 percent) but below the demographic level (92.0 percent), reflecting adequate performance. In 2020, the bank originated 27.4 percent of its loans to

businesses with annual revenues of \$1 million or less, which was below aggregate lenders (37.7 percent) and the demographic (92.3 percent) and **is considered poor.**

Community Development Lending

Simmons Bank made a significant lower level of Community Development loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Small Business/Commercial Lending

Simmons Bank made a significant lower level of Small Business/Commercial loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Mortgage Lending

Simmons Bank made a significant lower level of mortgage loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Lack of Staff and Board Diversity

Simmons Bank does not have any African Americans on the Board of Directors.

Simmons Bank does not have any African Americans on the DFW MSA Leadership Team.

Simmons Bank does not have any Mortgage Loans Officers in the DFW MSA that are African Americans.

Simmons Bank does not participate in the Dodd-Frank Act Section 342(b)(2)(C) Diversity self-assessment.

Simmons Bank is not a member of any of the Minority Trade Organizations below:

<https://www.namcdfw.org/>

<https://blackcontractors.org/>

Simmons Bank is not a member of any of the Minority Chambers below:

<https://dallasblackchamber.org/>

<https://arlingtonblackchamber.org/>

Simmons Bank is not a member of any of the Minority Real Estate Trade Organizations below:

<https://www.varep.net/index.php/dallas-chapter>

<https://narebnorthtexas.org/nareb-north-texas>

<https://wcdallas.com/>

<https://www.narebdallas.org/>

Conclusion

On behalf of the Southern Dallas Community, we asked that the Federal Reserve take the rare action of downgrading Simmons Bank's CRA rating to "Needs Improve".

Sincerely,

James McGee

James McGee
President/Chair
JMcGee@SouthernDallasProgress.com
Southern Dallas Progress Community Development Corporation

Research on Dallas Community Needs

Dallas has a *housing* shortage of approximately 20,000 units.

<https://dallascityhall.com/departments/housing-neighborhood-revitalization/DCH%20Documents/Adopted%20Housing%20Policy.pdf>

North Texas Regional Housing Assessment

<https://dhantx.com/report/north-texas-regional-housing-assessment/>

Dallas' Small Business Ecosystem Assessment

<https://www.dallasecocodev.org/DocumentCenter/View/2789/Dallas-Small-Business-Ecosystem-Report-PDF>

Report on Housing Affordability and Vulnerability in Dallas, Texas

<https://nalcab.org/nalcab-releases-report-on-housing-affordability-and-vulnerability-in-dallas-texas/>

FINDING G: MINORITY OWNED BUSINESSES ACCESS TO CREDIT/CAPITAL ANALYSIS (CHAPTER 6)

<https://dallascityhall.com/departments/public-affairs-outreach/DCH%20Documents/availability-disparity-study.pdf>



Via Email

James McGee
Southern Dallas Progress Community Development Corporation
1402 Corinth Street, #147
Dallas, TX 75215
jmcgee@southerndallasprogress.com

RE: Correspondence

Dear Mr. McGee,

Simmons Bank is in receipt of your letters written on behalf of Southern Dallas Progress Community Development Corporation and dated September 4, 2023 (the “September Letter”) and November 27, 2023 (the “November Letter”).

With respect to the September Letter, Simmons Bank notes that the items mentioned therein concern Southwest Bank rather than Simmons Bank. While Simmons Bank did acquire Southwest Bank in 2018, the letter does not address items that postdate the year of that merger. As a result, Simmons Bank is not opining on the items in the September Letter, as those items do not concern it.

With respect to the November Letter, based upon its review, Simmons Bank believes that the assertions set forth therein reflect a general lack of understanding of the bank and its activities. For instance, the November Letter states, among other things, that “Simmons Bank does not have any African Americans on the Board of Directors.” This is simply untrue. Simmons Bank’s board of directors currently has, and has had for many years, African American members. It is important to note that not only is this information publicly available, but also Simmons Bank has previously shared this information with you at your request.

Sincerely,

Simmons Bank



Improving Lives, One Community at a Time

April 1, 2024

Simmons Bank RSSD #663245
501 South Main Street
Pine Bluff, Arkansas 71601

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

RE: COMPLAINT AGAINST SIMMONS BANK

Dear Federal Regulator,

This correspondence serves as a response to the letter issued by Simmons Bank on 4/1/2024. As highlighted in my prior letter dated 11/27/2023, **Simmons Bank is not meeting the credit needs of our community, which specifically includes low- and moderate-income neighbor located in Southern Dallas.**

The Community Reinvestment Act (CRA) of 1977 was introduced to address the discriminatory practice of redlining, in which banks and government entities restricted access to credit in communities based on the race and socioeconomic status of residents. Enacted by Congress in 1977 (12 U.S.C. 2901) and enforced through Regulations 12 CFR parts 25, 228, 345, and 195, the CRA is designed to encourage depository institutions to actively engage in meeting the credit needs of the communities they serve, particularly in low- and moderate-income (LMI) neighborhoods.

Simmons Bank's banking and mortgage services have been notably absent in predominantly Black and Hispanic neighborhoods in Southern Dallas. Instead, Simmons Bank has concentrated its lending activities predominantly in white areas of Dallas. Meanwhile, other lenders have been processing applications in majority-Black and Hispanic neighborhoods at rates four to five times higher than Simmons Bank.

Southern Dallas Zip Codes (LMI/High Minority Areas)

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

Community Credit Needs Assessment (Simmons Bank failed to address in their most recent response)

Simmons Bank failed to conduct a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within the DFW MSA, specifically Southern Dallas.

A Community Credit Needs Assessment is a research-based market study to help a lender identify the needs for financial services in an area.

This assessment should include the following information about majority-Black and Hispanic census tracts within Covered Lending Area: (1) an evaluation (to include market research and interviews) of residential mortgage credit needs and current lending opportunities available in the area; (2) recent demographic and socioeconomic data; (3) potential strategies for Simmons Bank to provide residential mortgage lending services in these census tracts; (4) a review of loan products offered by other lenders and their success in the market; (5) an overview of federal, state, and local programs that are available to residents seeking and obtaining residential mortgage loans;

Community Development Partnership Program (Simmons Bank failed to address in their most recent response)

Simmons Bank failed to partner with community-based or governmental organizations that provide the residents of majority-Black and Hispanic census tracts in **Southern Dallas** that provide services related to credit, financial education, homeownership, and foreclosure prevention.

Simmons Bank failed to write a description of how these partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment.

Simmons Bank failed to respond to Southern Dallas Process CDC recent emails to form such partnership.

Exhibit A & Exhibit B

Products available for the Underserved/Minority Communities (Simmons Bank failed to address in their most recent response)

Access to affordable credit is a key component of an individual's ability to cultivate a strong financial position and participate fully in the DFW economy. The Equal Credit Opportunity Act of 1974 was passed to protect all consumers, yet the effects of the discrimination endure today.

Simmons Bank failed to offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

- https://household-survey.fdic.gov/place-data?type=msa&area=Dallas_Fort_Worth_Arlington_TX

- The underbanked/unbanked information is available on the FDIC website.

Simmons Bank failed to Adopt Bank On standards.

- <https://joinbankon.org/accounts/>
- <https://2wvkof1mfraz2etgea1p8kiy-wpengine.netdna-ssl.com/wp-content/uploads/2020/10/Bank-On-National-Account-Standards-2021-2022.pdf>
- <https://www.aba.com/about-us/press-room/press-releases/aba-urges-americas-banks-to-offer-bank-on-certified-accounts>

Simmons Bank does not have any special-purpose credit programs to address disparities in small business & mortgage lending in underserved high minority communities like Southern Dallas.

- <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>
- https://www.hud.gov/sites/dfiles/GC/documents/Special_Purpose_Credit_Program_OGC_guidance_12-6-2021.pdf
- [12 CFR § 202.8 - Special purpose credit programs.](#)
 - <https://www.ffiec.gov/PDF/fairlend.pdf>

Simmons Bank fails to offer Credit Builder Loans or Credit Builder Loans to help Rebuild Southern Dallas LMI residents' Credit History.

- <https://www.dallasfed.org/cd/cct/18cctdallas>

Activities under the CRA since the most recent CRA Performance Evaluation (Simmons Bank failed to address in their most recent response)

Simmons Bank failed to describe any significant **Southern Dallas CRA initiatives** undertaken, particularly with respect to credit and deposit products and retail banking services targeted toward low- and moderate-income geographies, African American/Hispanic geographies, and individuals, identifying key elements of the products and services, the approximate date introduced, and results achieved to date.

Simmons Bank failed to provide any details current community outreach and marketing efforts to residents and businesses throughout Bank's low-income census tracts, moderate-income census tracts, and major minority census tracts, **specifically in Southern Dallas.**

Fair Lending Concerns (Simmons Bank failed to address lending disparity in their most recent response)

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the home purchase and small business lending of Simmons Bank in Dallas. This is what NCRC found.

- According to the Home Mortgage Disclosure Act (HMDA) data from 2017 to 2018, SIMMONS BANK made a total of **0 home loans were extended to Blacks (African Americans).**
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA

- No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2018 to 2019, SIMMONS BANK made a total of 1 home loans were extended to Blacks (African Americans).
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2019 to 2020, SIMMONS BANK made a total of 5 home loans were extended to Blacks (African Americans).
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2020 to 2021, SIMMONS BANK made a total of 6 home loans were extended to Blacks (African Americans).
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- According to the Home Mortgage Disclosure Act (HMDA) data from 2021 to 2022, SIMMONS BANK made a total of 14 home loans were extended to Blacks (African Americans).
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- Small Business Lending
 - SDPCDC compared Simmons Bank Co. small business lending to other non-credit card small business lenders in Dallas and found that Simmons Bank trailed in lending to businesses with less than \$1 million in annual revenue from 2017 to 2022.
 - Extremely low amount of small business loans were made in Southern Dallas

Per Simmon Bank’s Recent Performance Evaluation (Simmons Bank failed to address in their most recent response)

Loan Distribution by Borrower’s Profile

The bank’s distribution of loans by income or revenue profile is poor.

HMDA Lending The bank’s borrower distribution of HMDA loans is poor.

The bank originated 1.4 percent of its 2019 HMDA loans to low-income borrowers, which trails the level of lending to low-income borrowers by peer institutions in the assessment area (3.6 percent) and is well below the demographic figure (23.4 percent), reflecting poor performance. The bank’s level of HMDA lending to low-income borrowers dropped to 0.5 percent in 2020, again trailing aggregate lenders (3.1 percent) and the demographic and reflects poor performance. The bank’s HMDA lending to moderate-income borrowers was also poor for both 2019 (8.3 percent) and 2020 (6.6 percent). This performance again trailed peers (13.9 percent in 2019 and 12.7 percent in 2020) and was below demographic levels (16.5 percent).

Small Business Lending

The bank's borrower distribution of small business loans is poor.

In 2019, the bank made 44.9 percent of its loans to businesses with annual revenues of \$1 million or less. This was in line with aggregate lending levels (47.0 percent) but below the demographic level (92.0 percent), reflecting adequate performance. In 2020, the bank originated 27.4 percent of its loans to businesses with annual revenues of \$1 million or less, which was below aggregate lenders (37.7 percent) and the demographic (92.3 percent) and **is considered poor.**

Community Development Lending (Simmons Bank failed to address lending disparity in their most recent response)

Simmons Bank made a significant lower level of Community Development loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Small Business/Commercial Lending (Simmons Bank failed to address lending disparity in their most recent response)

Simmons Bank made a significant lower level of Small Business/Commercial loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Mortgage Lending (Simmons Bank failed to address lending disparity in their most recent response)

Simmons Bank made a significant lower level of mortgage loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Simmons Bank is not a member of any of the Minority Trade Organizations below: (Simmons Bank failed to address in their most recent response)

<https://www.namcdfw.org/>

<https://blackcontractors.org/>

Simmons Bank is not a member of any of the Minority Chambers below: (Simmons Bank failed to address in their most recent response)

<https://dallasblackchamber.org/>

<https://arlingtonblackchamber.org/>

Simmons Bank is not a member of any of the Minority Real Estate Trade Organizations below:
(Simmons Bank failed to address in their most recent response)

<https://www.varep.net/index.php/dallas-chapter>

<https://narebnorthtexas.org/nareb-north-texas>

<https://wcdallas.com/>

<https://www.narebdallas.org/>

Conclusion

Representing the Southern Dallas Community, we have formally requested that the Federal Reserve downgrade Simmons Bank's Community Reinvestment Act (CRA) rating to "Needs Improvement." Furthermore, we urge for our concerns to be given closer scrutiny during Simmons Bank Bank's upcoming Fair Lending Exam.

We hope that Simmons Bank will become more attentive to the needs of our community and take a proactive stance in addressing inequalities within the Dallas-Fort Worth Metropolitan Statistical Area (MSA).

Sincerely,

James McGee

James McGee
President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation



Improving Lives, One Community at a Time

April 1, 2024

Simmons Bank (Formerly Southwest Bank)
501 South Main Street
Pine Bluff, Arkansas 71601

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

RE: Discrimination and Redlining Compliant

Dear Federal Regulator,

This correspondence serves as a response to the inaccurate letter written by Simmons Bank dated 4/1/2024. As highlighted in my prior letter, spanning from 1985 to 2018, Simmons Bank consistently excluded the majority of Low to Moderate Income Census Tracts from its assessment area map. Notably, these excluded census tracts predominantly consist of minority residents.

Simmons Bank's decision to exclude low to moderate-income and majority minority neighborhoods in Southern Dallas from its CRA (Community Reinvestment Act) assessment area has had detrimental effects. This exclusion has resulted in reduced credit availability, limited investments, decreased lending activities, and has created a discouraging environment for prospective applicants in these communities.

Southern Dallas Zip Codes (LMI/High Minority Areas) *

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

*This major minority community is home to 500,000 residents.

Regulatory Enforcement Authority

As a reminder to Simmons Bank, it's crucial to acknowledge that the Consumer Financial Protection Bureau (CFPB) is the enforcing authority for the Equal Credit Opportunity Act (Regulation B). Additionally, enforcement responsibilities for the Fair Housing Act are jointly held by the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD).

It is significant to highlight that Simmons Bank has not taken the initiative to self-report their actions to the Consumer Financial Protection Bureau (CFPB), the Department of Housing and Urban Development (HUD), and the Department of Justice (DOJ) concerning the exclusion of low- and moderate-income census tracts in Southern Dallas. This lack of proactive reporting may have implications for regulatory compliance and cooperation with relevant enforcement authorities.

Regulatory Violations:

Between 1985 and 2018, Simmons Bank breached the following regulatory requirements:

12 CFR § 345.41(e)(2):

- Violation: Engaged in practices that may reflect illegal discrimination.

12 CFR § 345.41(e)(3):

- Violation: Arbitrarily excluded low- or moderate-income geographies, without considering the bank's size and financial condition.

DOJ, CFPB, and OCC announce aggressive redlining initiative; take action against national bank for alleged lending discrimination.

On October 22, 2021 the DOJ, in collaboration with the CFPB and the OCC, announced a new initiative to combat redlining and lending discrimination. The Combatting Redlining Initiative will be led by the DOJ's Civil Rights Division's Housing and Civil Enforcement Section in partnership with U.S. Attorney's offices, and will, among other things, (i) "ensure that fair lending enforcement is informed by local expertise on housing markets and the credit needs of local communities of color"; (ii) "expand the department's analyses of potential redlining to both depository and non-depository institutions" (the DOJ noted that non-depository lenders now make the majority of mortgages in the U.S.); (iii) strengthen financial regulator partnerships to ensure fair lending violations are identified and referred to the DOJ; and (iv) increase fair lending coordination with state attorneys general to identify potential violations. Attorney General Merrick Garland stated that the initiative will "address modern-day redlining by making far more robust use of our fair lending authorities," and marks the DOJ's "most aggressive, coordinated effort to address redlining." Garland noted that several redlining investigations are currently ongoing, and more are expected to be opened in the upcoming months.

<https://www.justice.gov/opa/pr/justice-department-announces-new-initiative-combat-redlining>

Department of Justice (DOJ) Redlining Cases

All banks fined by the Department of Justice (DOJ) previously received a Satisfactory or Outstanding rating in their Community Reinvestment Act (CRA) Performance Evaluation conducted by their regulator. In these evaluations, the regulator did not identify discriminatory or other illegal credit practices by these financial institutions. However, despite these positive evaluations, the DOJ issued regulatory fines for redlining and discrimination. The Justice Department's Combating Redlining Initiative has secured over \$107 million in relief for communities of color nationwide that have experienced lending discrimination by banks.

<https://www.justice.gov/crt/recent-accomplishments-housing-and-civil-enforcement-section>

Department of Justice (DOJ)- Mergers and Acquisitions (M&A)

The Department of Justice (DOJ) has expressed a stance regarding the accountability of banks that acquire other banks.

"The Department of Justice (DOJ) has emphasized that any bank acquiring another bank should be held accountable for the actions of the acquired bank."

Conclusion

From 1985 to 2018, Simmons Bank engaged in a pattern or practice of redlining in violation of the Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601–3619, the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691–1691f, and Regulation B, 12 C.F.R. § 1002.1 et seq., by discriminating based on race, color, and national origin. Specifically, Simmons Bank engaged in redlining by avoiding providing home loans, small business loans, and other financial services in majority-Black/Hispanic and Low to Moderate Income census tracts.

On behalf of the Southern Dallas Community, we asked that the Federal Reserve take the rare action of downgrading Simmons Bank's CRA rating to "Needs Improve". We would look forward to this case being referred to the U.S. Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB).

Sincerely,

James McGee

James McGee
President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation



December 6, 2024

Via Electronic Mail

Federal Deposit Insurance Corporation
Dallas Regional Office
600 North Pearl Street, Suite 700,
Dallas, Texas 75201
DALMailRoom@fdic.gov

Re: CRA Protest Against Simmons Bank

Dear Sir or Madam:

Simmons Bank (“Simmons”) is in receipt of two (2) protest letters from James McGee (“Mr. McGee”) of the Southern Dallas Progress Community Development Corporation (“SDPCDC”), dated October 28, 2024, alleging violations of the Community Reinvestment Act (“CRA”) and related regulations (“CRA Protest”). For the reasons stated herein, Simmons respectfully requests the FDIC disregard the CRA Protest and resume its prompt consideration of Simmons’ application for approval to merge with its two wholly owned, operating subsidiaries.

Protest Letter #1

The CRA Protest alleges “For 34 years (1985 to 2019), Simmons Bank (former Southwest Bank) excluded several Low to Moderate Income Census Tracts from there [sic] assessment area map.” It further alleges “Simmons Bank’s banking and mortgage services have been notably absent in predominantly Black and Hispanic neighborhoods in Southern Dallas,” and “Simmons Bank ... has never established a branch in a majority-Black and Hispanic neighborhood situated in Southern Dallas.” Protest Letter #1, p. 1.

Response: Simmons did not enter the Dallas Fort Worth Metropolitan Statistical Area (“DFW MSA”) until the acquisition of Southwest Bank in 2018. Upon entering the market, Simmons expanded its assessment area by county, as is its practice, rather than by census tract. Simmons recognized the need for a presence in South Dallas. On its own initiative, Simmons sought to serve the community by, among other things, contacting organizations and individuals in South Dallas - including Mr. McGee, with whom Simmons first became acquainted in 2019 through its CRA officer at the time. Since that time, Simmons has regularly shared information with Mr. McGee regarding its activities and plans in South Dallas. In December 2021, after difficulty finding a suitable location, Simmons opened a temporary branch located at 655 West Illinois Avenue in South Dallas, while actively searching for permanent branch locations. In 2022, Simmons further expanded its presence in the DFW MSA with the acquisition of Spirit of Texas Bank. In 2023, Simmons opened two new permanent branches in South Dallas: 3309 W. Camp Wisdom Road on October 23, 2023, and 2498 W. Illinois Avenue on December 4, 2023. Not only is Mr. McGee aware of these branch locations, he wrote a letter in support of the establishment of the branch at 2498 W. Illinois Avenue, dated February 13, 2023.

Simmons understands the importance of the CRA and is committed to meeting the needs of the low- and moderate-income communities it serves, including South Dallas. In Simmons' relatively short time in the South Dallas market, HMDA lending and borrower distribution have improved and, according to its most recent CRA Performance Evaluation dated September 6, 2022, Simmons' community development lending was deemed relatively high and its investments were deemed excellent. The CRA Performance Evaluation also found that Simmons CRA activities and investments were overall satisfactory – in Texas and institution-wide. Simmons incorporates the CRA Performance Evaluation and the information contained therein into this response letter by reference.

Fair Lending Concerns

The CRA Protest restates portions of Simmons' home purchase and small business lending data in Dallas. Protest Letter #1, p. 2.

Response: Simmons' HMDA and other lending data speak for themselves, and, for the years of 2022 and 2023, reflect that Simmons exceeded peer lending within low-to-moderate income and majority-minority census tracts. Even the data cherry-picked by Mr. McGee shows a definite trend of improvement in the DFW MSA. Simmons first opened a temporary branch in South Dallas in 2021, while actively searching for permanent branch locations. Between 2021 and 2022, home loans made in low-income census tracts in the Dallas CSA increased by more than 700%, home loans to African Americans in the Dallas CSA increased by 80%, home loans to Hispanics in the Dallas CSA increased by over 300%, and small business loans made in low-income census tracts in the Dallas CSA increased 400%. With the opening of the two permanent branches in South Dallas discussed above, there has been continued growth to better meet the banking needs of South Dallas and its residents.

Community Credit Needs Assessment; Community Development Partnership Program

The CRA Protest alleges "Simmons Bank failed to conduct a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within the DFW MSA, specifically Southern Dallas." It further alleges "Simmons Bank does not have a written description of how proposed partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment." Protest Letter #1, p. 2.

Response: Like other financial institutions, Simmons does not share its self-assessments or related materials with the public, and it is not obligated to do so.

Products available to the Underserved/Minority Communities

The CRA Protest alleges Simmons has (1) "failed to offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA"; (2) "failed to Adopt [sic] Bank On standards"; (3) "does not have any special-purpose credit programs to address disparities in small business & mortgage lending in underserved high minority communities like Southern Dallas"; and (4) "fails to offer Credit Builder Loans or Credit Builder Loans to help Rebuild Southern Dallas LMI residents' Credit History". Protest Letter #1, p. 2-3.

Response: (1) Simmons has taken numerous steps towards reaching the unbanked and underbanked residents in the DFW MSA, including the opening of two branches in South Dallas. Given Mr. McGee's awareness of, and involvement in, Simmons' outreach and investments in the DFW MSA, his allegation that Simmons has failed to offer "any" solutions is disingenuous. (2) Regarding Bank On, Simmons has offered a Bank On checking account – the Affordable

Advantage Checking account - since 2019. (3-4) Regarding special-purpose credit programs and loans, Simmons offers a 100% Affordable Advantage Mortgage, ITIN Affordable Advantage Mortgage, Affordable Advantage Credit Builder Loan, and other mortgage and loan products designed for low- and moderate-income borrowers. Further, Simmons partners with the Federal Home Loan Bank with the use of its HELP grant program which provides down payment assistance to borrowers. Simmons remains open to considering other opportunities for reaching the unbanked and underbanked communities it serves.

Activities Under the CRA since the Most Recent CRA Performance Evaluation

The CRA Protest alleges “Simmons Bank failed to describe any significant Southern Dallas CRA initiatives” or “provide any details current [sic] community outreach and marketing efforts to residents and businesses.” Protest Letter #1, p. 3.

Response: The CRA Protest does not state to whom Simmons has failed to describe initiatives or provide details of community outreach and marketing efforts. To the extent that Mr. McGee is referring to himself, the allegation is unequivocally false. Simmons has regularly communicated and corresponded with Mr. McGee. As just one example of the effort and good faith Simmons has shown in outreach to Mr. McGee in particular, Simmons sent its CEO, President, Chief Risk Officer, General Counsel, and Senior Vice President of Regulatory and Consumer Affairs to Dallas on March 7, 2023, for the primary purpose of meeting with Mr. McGee and Simmons’s community affairs officers based in the Dallas market, to answer his questions and address his concerns.

Unfortunately, despite Simmons’ efforts to maintain a productive relationship with Mr. McGee, Mr. McGee has become increasingly antagonistic in his communications with Simmons, making, for example, blatantly false statements about Simmons and its activities (some of which are repeated in the CRA Protest despite Simmons previously informing Mr. McGee of their inaccuracy), which Simmons will not tolerate and which has, therefore, resulted in Simmons shifting its approach to communicating with Mr. McGee. However, Simmons remains committed to developing community partnerships where they can be productive channels for advancement.

Equal Credit Opportunity Act (ECOA) and Fair Housing Act (FHA)

The CRA Protest alleges “Simmons Bank violates Equal Credit opportunity Act (ECOA) and Fair Housing Act (FHA) by discriminating against African Americans and other minority consumers.” In support of this allegation, the CRA Protest further alleges (1) “All Simmons Bank branches are in white-majority neighborhoods,” (2) “Simmons Bank’s marketing initiatives showed a significant [sic] lower level of marketing efforts toward minority areas,” (3) Simmons “[d]oes not employ any African American mortgage or commercial loan officers in the DFW MSA,” and (4) “Simmons Bank significantly underperformed its ‘peer lenders’ in generating loan applications from majority-Black and Hispanic neighborhoods.” Protest Letter #1, p. 3-4.

Response: (1) Simmons has branches in minority-majority neighborhoods of the DFW MSA, and (3) has previously employed African American mortgage and commercial loan officers in the DFW MSA and is actively recruiting additional staff. Simmons also employs an African American community affairs officer in the Dallas market. The CRA Protest provides no citation or support for its remaining allegations (2) and (4) regarding Simmons’ marketing efforts and loan performance.

Simmons Bank Lacks Product Innovation and Flexibility

The CRA Protest lists several community development programs and funds in which Simmons Bank does not invest. Protest Letter #1, p. 4.

Response: Simmons has made significant investments in the DFW MSA as supported by its most recent CRA Performance Evaluation. Although Simmons is committed to community development in the DFW MSA, Simmons has not and – without setting aside safety and soundness considerations and neglecting the other low- and moderate-income communities it serves - *could not* make every investment demanded by Mr. McGee, especially considering the volume of his requests.

Redlining Southern Dallas / Illegal Discrimination

The CRA Protest restates its initial allegation that “From 1985 to 2019 (34 years), Simmons Bank engaged in unlawful redlining by acting to meet the credit needs of majority White Middle to Upper Income neighborhoods ... while avoiding the credit needs to Low to Moderate census tracts in Southern Dallas.” Protest Letter #1, p. 4.

Response: As stated above, Simmons did not enter the DFW MSA until the acquisition of Southwest Bank in 2018, and, since that time, has taken numerous steps towards reaching the unbanked and underbanked residents in the DFW MSA, including the opening of two branches in South Dallas.

Community Development, Small Business/Commercial, and Mortgage Lending

The CRA Protest alleges “Simmons Bank made a significant [sic] lower level of Community Development loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas),” “significant [sic] lower level of Small Business/Commercial loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas),” and “significant [sic] lower level of mortgage loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).” Protest Letter #1, p. 5.

Response: As stated above, Simmons’ HMDA and other lending data speak for themselves, and, for the years of 2022 and 2023, reflect that Simmons exceeded peer lending within low-to-moderate income and majority-minority census tracts.

Lack of Staff and Board Diversity

The CRA Protest alleges “Simmons Bank does not have any African Americans on the Board of Directors,” “DFW MSA Leadership Team,” or “Mortgage Loan Officers in the DFW MSA.” The CRA Protest further alleges that Simmons does not participate in the voluntary Dodd-Frank Act Section 342(b)(2)(C) diversity self-assessment. Protest Letter #1, p. 5.

Response: Simmons has minority representation on its board of directors and Dallas leadership team, and has previously employed African American mortgage and commercial loan officers in the DFW MSA and is actively recruiting additional staff. Simmons also employs an African American community affairs officer in the Dallas market. Further, Simmons has actively participated in programs in the DFW MSA that seek to create more opportunities for minority bankers, such the University of North Texas at Dallas’ program to establish a credit analysis certification for minority students. Not only has Simmons repeatedly shared the above information with Mr. McGee, the composition of Simmons’ board of directors is publicly available information.

Membership in Minority Trade Organizations, Chambers, and Minority Real Estate Trade Organizations

The CRA Protest lists several organizations in which Simmons Bank is not a member. Protest Letter #1, p. 5-6.

Response: Simmons and its associates have engaged and partnered with many individuals and organizations in South Dallas, including, among other groups, Dallas City Homes, Dallas Regional Chamber (Southern Dallas Taskforce), Duncanville Chamber of Commerce, Harmony Community Development Corporation, National Association of Hispanic Real Estate Brokers, National Association of Real Estate Brokers, Oak Cliff Chamber of Commerce, Texas Association of Community Development Corporations, and the University of North Texas at Dallas. Simmons' community affairs officer in the Dallas market is the current president of the North Texas Housing Consortium, and Simmons has recently received recognition from the Business and Community Lenders of Texas. Notably, Simmons has also engaged with Mr. McGee and the SDPCDC, and a Simmons associate serves on the SDPCDC's board of directors. Although Simmons is open to all opportunities for partnership, Simmons cannot reasonably be expected to participate in *every* organization demanded by Mr. McGee, especially considering the volume of his requests.

Protest Letter #2

The second Protest Letter contains no new allegations against Simmons to be addressed.

Conclusion

The CRA and related regulations were created to “encourage depository institutions to help meet the credit needs of the communities in which they operate . . . consistent with safe and sound banking operations.” Simmons champions that purpose and strives to better meet the banking needs of the low- and moderate-income communities it serves, including South Dallas. Since entering the DFW MSA in 2018, Simmons has taken the initiative to build a presence in South Dallas and remains committed to South Dallas and the other neighborhoods and communities within the DFW MSA.

One of the many ways in which Simmons has attempted to engage the South Dallas community is through fostering a relationship with Mr. McGee and the SDPCDC. Simmons has regularly consulted with him, hired referrals made by him, and supported and invested in projects, organizations, and events at his request. The CRA and related regulations, however, were not created to compel financial institutions to relinquish business decision-making and strategy to community organizations and partners without regard to safe and sound banking principles. As mentioned above, unfortunately, despite Simmons' efforts to maintain a productive relationship with Mr. McGee, Mr. McGee has become increasingly antagonistic in his communications with Simmons, which Simmons will not tolerate and which has, therefore, resulted in Simmons shifting its approach to communicating with Mr. McGee. However, Simmons remains committed to developing community partnerships where they can be productive channels for advancement.

Given the well-documented and disproportionate time and resources that Simmons has spent on Mr. McGee, and the past deference it has shown him, the blatant misrepresentations contained within his CRA Protest, whether or not intentional, are an insulting and inexcusable abuse of the regulatory comment process. Simmons respectfully requests that the FDIC exercise the discretion afforded by Part 303 of the FDIC Rules and Regulations, disregard the CRA Protest as a frivolous

adverse comment submitted primarily as a means of delaying action on a filing, and resume its prompt consideration of Simmons' application for approval to merge with its two wholly owned, operating subsidiaries. It should be noted that neither subsidiary has any connection to the DFW MSA and, as stated in the application, the proposed transactions will not result in any change to Simmons' business strategy or operations, including its CRA program, products, services, and assessment areas.

If the FDIC has any questions or requires any additional information to supplement this response, such as copies of the past information that Simmons has provided to Mr. McGee, often on multiple occasions, we will be happy to provide it.

Sincerely,

A handwritten signature in blue ink, appearing to read 'H. Windle', with a stylized flourish at the end.

Hunter Windle
Vice President/Senior Counsel

cc: James McGee (*via electronic mail*)
Southern Dallas Progress Community Development Corporation
JMcGee@SouthernDallasProgress.com

Federal Reserve Bank of St. Louis
1421 Dr. Martin Luther King Drive
St. Louis, Missouri 63106

Arkansas State Bank Department
1 Commerce Way, Suite 303
Little Rock, Arkansas 72202



Division of Risk Management Supervision
Division of Depositor and Consumer Protection

Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

November 22, 2024

Hunter Windle, Esq.
Simmons Bank
501 South Main Street
Pine Bluff, AR 71601

Dear Mr. Windle:

This letter is in reference to a Community Reinvestment Act (“CRA”) protest filed by Southern Dallas Progress Community Development Corporation, Dallas, Texas, concerning your application to merge Simmons First Properties, Inc. and Simmons First Special Assets, Inc. with and into Simmons Bank, filed on September 30, 2024. We reviewed the enclosed correspondence and consider it to constitute a protest for purposes of this application, in accordance with the provisions of 12 C.F.R. Section 303, due to the adverse comments regarding Simmons Bank’s lending and outreach activities in the Dallas, Texas area. Therefore, your application will be removed from expedited processing.

You may provide a written response on the protest to me until December 9, 2024 (10 business days after the date of this letter), in accordance with 12 C.F.R. Section 303. If you choose to respond in writing to the protester, please provide me with a copy. A copy shall also be forwarded to each protester and each supervisory authority that received a copy of the application.

Please notify Assistant Regional Director Lauri Angle by telephone at (972) 761-8337 or email at LAngle@fdic.gov, within 3 business days of receiving this letter, whether you intend to respond to the protest. Please contact Assistant Regional Director Angle or Review Examination Specialist Nathan Feenstra at (972) 761-2912 or email at NFeenstra@fdic.gov with any questions you may have regarding this matter.

Written correspondence should be addressed to the Dallas Regional Office, and sent as a PDF document through the FDIC’s Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

David E. Wright
Deputy Regional Director

Enclosure

cc: Arkansas State Banking Department
Southern Dallas Progress Community Development Corporation
Federal Reserve Bank of St. Louis



Improving Lives, One Community at a Time

October 28, 2024

Simmons Bank
501 S Main St
PINE BLUFF, AR

RE: Protest Letter-Notice of Application for Merger (Corporate Reorganization)

Dear Federal Regulator,

The undersigned community organization is submitting this protest letter to the Notice of Application for Merger (Corporate Reorganization). **We do not support this "Bank Merger". For 34 years (1985 to 2019), Simmons Bank (former Southwest Bank) excluded several Low to Moderate Income Census Tracts from there assessment area map. Also, the census tracts excluded are majority minority.**

The Community Reinvestment Act (CRA) of 1977 was introduced to address the discriminatory practice of redlining, in which banks and government entities restricted access to credit in communities based on the race and socioeconomic status of residents. Enacted by Congress in 1977 (12 U.S.C. 2901) and enforced through Regulations 12 CFR parts 25, 228, 345, and 195, the CRA is designed to encourage depository institutions to actively engage in meeting the credit needs of the communities they serve, particularly in low- and moderate-income (LMI) neighborhoods.

Simmons Bank 's banking and mortgage services have been notably absent in predominantly Black and Hispanic neighborhoods in Southern Dallas. Instead, Simmons Bank has concentrated its lending activities predominantly in white areas of Dallas. Meanwhile, other lenders have been processing applications in majority-Black and Hispanic neighborhoods at rates four to five times higher than Simmons Bank. Similarly, although Simmons Bank operates several branches in Dallas, it has never established a branch in a majority-Black and Hispanic neighborhood situated in Southern Dallas.

Southern Dallas Zip Codes (LMI/High Minority Areas)

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

Fair Lending Concerns

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the home purchase and small business lending of Simmons Bank in Dallas. This is what NCRC found.

- According to the Home Mortgage Disclosure Act (HMDA) data from 2022 to 2023, SIMMONS BANK made a total of 77 in Dallas County. This data demonstrated that only 8 home loans were extended to Blacks (African Americans).
 - Made a smaller percentage of HMDA-reportable residential mortgage loans in majority-Black and Hispanic neighborhoods compared to its peers in the DFW MSA
 - No loans were made in Southern Dallas
- Small Business Lending
 - SDPCDC compared Simmons Bank small business lending to other non-credit card small business lenders in Dallas and found that Simmons Bank trailed in lending to businesses with less than \$1 million in annual revenue.
 - Extremely low amount of small business loans were made in Southern Dallas

Community Credit Needs Assessment

Simmons Bank failed to conduct a Community Credit Needs Assessment for majority-Black and Hispanic census tracts within the DFW MSA, specifically Southern Dallas.

A Community Credit Needs Assessment is a research-based market study to help a lender identify the needs for financial services in an area.

This assessment should include the following information about majority-Black and Hispanic census tracts within Covered Lending Area: (1) an evaluation (to include market research and interviews) of residential mortgage credit needs and current lending opportunities available in the area; (2) recent demographic and socioeconomic data; (3) potential strategies for Simmons Bank to provide residential mortgage lending services in these census tracts; (4) a review of loan products offered by other lenders and their success in the market; (5) an overview of federal, state, and local programs that are available to residents seeking and obtaining residential mortgage loans;

Community Development Partnership Program

Simmons Bank does not have a written description of how proposed partnership(s) will be used to meet the credit needs identified in the Community Credit Needs Assessment.

Products available for the Underserved/Minority Communities

Access to affordable credit is a key component of an individual's ability to cultivate a strong financial position and participate fully in the DFW economy. The Equal Credit Opportunity Act of 1974 was passed to protect all consumers, yet the effects of the discrimination endure today.

Simmons Bank failed to offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA.

- https://household-survey.fdic.gov/place-data?type=msa&area=Dallas_Fort_Worth_Arlington_TX

- The underbanked/unbanked information is available on the FDIC website.

Simmons Bank failed to Adopt Bank On standards.

- <https://joinbankon.org/accounts/>
- <https://2wvkof1mfraz2etgea1p8kiy-wpengine.netdna-ssl.com/wp-content/uploads/2020/10/Bank-On-National-Account-Standards-2021-2022.pdf>
- <https://www.aba.com/about-us/press-room/press-releases/aba-urges-americas-banks-to-offer-bank-on-certified-accounts>

Simmons Bank does not have any special-purpose credit programs to address disparities in small business & mortgage lending in underserved high minority communities like Southern Dallas.

- <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>
- https://www.hud.gov/sites/dfiles/GC/documents/Special_Purpose_Credit_Program_OGC_guidance_12-6-2021.pdf
- [12 CFR § 202.8 - Special purpose credit programs.](#)
 - <https://www.ffiec.gov/PDF/fairlend.pdf>

Simmons Bank fails to offer Credit Builder Loans or Credit Builder Loans to help Rebuild Southern Dallas LMI residents' Credit History.

- <https://www.dallasfed.org/cd/cct/18cctdallas>

Activities under the CRA since the most recent CRA Performance Evaluation

Simmons Bank failed to describe any significant **Southern Dallas CRA initiatives** undertaken, particularly with respect to credit and deposit products and retail banking services targeted toward low- and moderate-income geographies, African American/Hispanic geographies, and individuals, identifying key elements of the products and services, the approximate date introduced, and results achieved to date.

Simmons Bank failed to provide any details current community outreach and marketing efforts to residents and businesses throughout Bank's low-income census tracts, moderate-income census tracts, and major minority census tracts, **specifically in Southern Dallas.**

Equal Credit Opportunity Act (ECOA) and Fair Housing Act (FHA)

Simmons Bank violates Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA) by discriminating against African Americans and other minority consumers. The Equal Credit Opportunity Act (ECOA) prohibits lenders from discriminating based on race and other characteristics.

In terms of the discrimination, we assert that Simmons Bank does engage in the following:

- All Simmons Bank branches are in white-majority neighborhoods, compared to having none in majority-minority neighborhoods.

- Simmons Bank's marketing initiatives showed a significant lower level of marketing efforts toward minority areas and media/intermediaries that tend to reach minority areas when compared to majority-white areas.
- Does not employ any African American mortgage or commercial loan officers in the DFW MSA
- Simmons Bank significantly underperformed its "peer lenders" in generating loan applications from majority-Black and Hispanic neighborhoods;

Regulation B, the ECOA's implementing regulation, provides that a creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application. But the ECOA itself does not set forth such a prohibition.

Simmons Bank lacks Product Innovation and Flexibility

Failed to invest in BIPOC Small Business Accelerator – People Fund

https://peoplefund.org/bipoc-business-accelerator/?gclid=Cj0KCQjwuuKXBhCRARIsAC-gM0iouy3e3lN66yehV5YQ25VcHQY7uV7DoK9WgkXcZ3VzRzsXo2iZWlkaAjXUEALw_wcB

Failed to form a Subsidiary Community Development Corporation

<https://www.occ.gov/topics/consumers-and-communities/community-affairs/resource-directories/public-welfare-investments/formation-of-subsiary-cdc.html#q3>

Failed to invest in Growth by NCRC

<https://growthbyncrc.com/>

Failed to invest in Dallas College Bankwork\$ Program.

<https://www.dallascollege.edu/cd/ce/training/business-mgmt/pages/bankworks.aspx>

Redlining Southern Dallas/ Illegal Discrimination

From 1985 to 2019 (34 years), Simmons Bank engaged in unlawful redlining by acting to meet the credit needs of majority White Middle to Upper Income neighborhoods in the Dallas-Fort Worth Metropolitan Statistical Area ("DFW MSA" or "MSA") while avoiding the credit needs of Low to Moderate census tracts in Southern Dallas. Also, these census tracts were majority minority.

Department of Justice (DOJ) Redlining Cases

All banks fined by the Department of Justice (DOJ) previously received a Satisfactory or Outstanding rating in their Community Reinvestment Act (CRA) Performance Evaluation conducted by their regulator. In these evaluations, the regulator did not identify discriminatory or other illegal credit practices by these financial institutions. However, despite these positive evaluations, the DOJ issued regulatory fines for redlining and discrimination.

The Justice Department's Combating Redlining Initiative has secured over \$107 million in relief for communities of color nationwide that have experienced lending discrimination by banks.

<https://www.justice.gov/crt/recent-accomplishments-housing-and-civil-enforcement-section>

Community Development Lending

Simmons Bank made a significant lower level of Community Development loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Small Business/Commercial Lending

Simmons Bank made a significant lower level of Small Business/Commercial loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Mortgage Lending

Simmons Bank made a significant lower level of mortgage loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas).

Lack of Staff and Board Diversity

Simmons Bank does not have any African Americans on the Board of Directors.

Simmons Bank does not have any African Americans on the DFW MSA Leadership Team.

Simmons Bank does not have any Mortgage Loans Officers in the DFW MSA that are African Americans.

Simmons Bank does not participate in the Dodd-Frank Act Section 342(b)(2)(C) Diversity self-assessment.

<https://www.occ.treas.gov/about/who-we-are/organizations/office-of-minority-and-women-inclusion/Section-342-Dodd-Frank.pdf>

Simmons Bank failed to share this diversity opportunity with staff.

<https://www.mba.org/industry-resources/diversity-equity-and-inclusion/path-to-diversity-scholarship-program>

Simmons Bank is not a member of any of the Minority Trade Organizations below:

<https://www.namcdfw.org/>

<https://blackcontractors.org/>

Simmons Bank is not a member of any of the Minority Chambers below:

<https://dallasblackchamber.org/>

<https://arlingtonblackchamber.org/>

Simmons Bank is not a member of any of the Minority Real Estate Trade Organizations below:

<https://www.varep.net/index.php/dallas-chapter>

<https://narebnorthtexas.org/nareb-north-texas>

<https://wcdallas.com/>

<https://www.narebdallas.org/>

Conclusion

Southern Dallas Progress Community Development Corporation expresses deep disappointment upon discovering that Simmons Bank engaged in redlining practices within our Southern Dallas community between 1985 and 2019. The exceedingly low lending figures to African Americans during this period are disheartening and raise concerns about persistent disparities.

It's unfortunate that, even after eight decades, redlining continues to affect our Southern Dallas Community. Our organization firmly believes in upholding the principles of honesty, integrity, accountability, and transparency in all community relationships. Recent indications that Simmons Bank might prefer the suppression of this factual data due to their support of a community event hosted by SDPCDC are noted.

We are resolute in our commitment to address and shed light on these disparities openly and constructively. We firmly believe that addressing these issues openly will contribute to fostering genuine, lasting community relationships built on trust and shared values.

On behalf of the Southern Dallas County Community, would ask that you deny this application and refer this bank to the U.S. Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB). Sincerely,

James McGee

James McGee
President/Chair
JMcGee@SouthernDallasProgress.com
Southern Dallas Progress Community Development Corporation

Research on Dallas Community Needs

Dallas has a housing shortage of approximately 20,000 units.

<https://dallascityhall.com/departments/housing-neighborhood-revitalization/DCH%20Documents/Adopted%20Housing%20Policy.pdf>

North Texas Regional Housing Assessment

<https://dhantx.com/report/north-texas-regional-housing-assessment/>

Dallas' Small Business Ecosystem Assessment

<https://www.dallasecocodev.org/DocumentCenter/View/2789/Dallas-Small-Business-Ecosystem-Report-PDF>

Report on Housing Affordability and Vulnerability in Dallas, Texas

<https://nalcab.org/nalcab-releases-report-on-housing-affordability-and-vulnerability-in-dallas-texas/>

FINDING G: MINORITY OWNED BUSINESSES ACCESS TO CREDIT/CAPITAL ANALYSIS (CHAPTER 6)

<https://dallascityhall.com/departments/public-affairs-outreach/DCH%20Documents/availability-disparity-study.pdf>

CC:

Department of Justice

Antitrust Division/Redlining

U.S. Department of Justice

950 Pennsylvania Avenue NW

Washington DC 20530

Consumer Financial Protection Bureau, Enforcement

PO Box 27170

Washington, DC 20038



Improving Lives, One Community at a Time

October 28, 2024

Simmons Bank
501 S Main St
PINE BLUFF, AR

RE: Protest Letter-Notice of Application for Merger (Corporate Reorganization)

Dear Federal Regulators,

The undersigned community organization is submitting this protest letter to the Notice of Application for Merger (Corporate Reorganization). **We do not support this "Bank Merger". For 34 years (1985 to 2019), Simmons Bank (former Southwest Bank) excluded several Low to Moderate Income Census Tracts from there assessment area map. Also, the census tracts excluded are majority minority.**

Simmons Bank (former Southwest Bank) 's exclusion of Southern Dallas' low to moderate income and majority minority neighborhoods from its CRA assessment area reduced credit availability, investments, lending and discouraged prospective applicants.

To clarify, **the Dallas MD AA consists of 529 contiguous** census tracts in Dallas County, which comprises a portion of the Dallas-Plano-Irving MD and has a total population of 2,667,720. **According to the 2015 ACS US Census, the assessment area contained 107 low-income, 187 moderate-income, 110 middle-income, 120 upper-income census tracts, and 5 census tracts with no income designation.**

CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its performance. Simmons Bank (former Southwest Bank) delineated **portions** of Dallas County within the Dallas MD AA assessment area.

12 CFR 345.41(e) Limitations on the delineation of an assessment area. Each bank's assessment area(s):

(1) Must consist only of whole geographies;

(2) May not reflect illegal discrimination;

(3) May not arbitrarily exclude low- or moderate-income geographies, taking into account the bank's size and financial condition; and

(4) May not extend substantially beyond an MSA boundary or beyond a state boundary unless the assessment area is located in a multistate MSA. If a bank serves a geographic area that extends substantially beyond a state boundary, the bank shall delineate separate assessment areas for the areas

in each state. If a bank serves a geographic area that extends substantially beyond an MSA boundary, the bank shall delineate separate assessment areas for the areas inside and outside the MSA.

[https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345/subpart-C/section-345.41#p-345.41\(e\)](https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345/subpart-C/section-345.41#p-345.41(e))

Simmons Bank (former Southwest Bank) did arbitrarily exclude high minority and low to moderate-income areas in Southern Dallas.¹

Southern Dallas Zip Codes (LMI/High Minority Areas)

75203, 75207, 75208, 75210, 75211, 75212, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75233, 75236, 75237, 75241, 75249, 75253

The following section discuss demographic in the Southern Dallas area.

- Southern Dallas is home to 43% of all Dallas residents in just 57% of the city's land area.
- Of the 560,000 residents of neighborhoods in southern Dallas, approximately 38% live below poverty - roughly 9% higher than the City's overall poverty rate of 29%.
- Overall, 56% of Dallas residents living below poverty live in the southern neighborhoods of Dallas.
- *The City of Dallas is a unique place. There is a difference between "South Dallas" and "Southern Dallas".*
- *The Southern Sector of Dallas (Southern Dallas) is commonly defined as those areas south of Interstate 30.*
- *The Southern Dallas is 196.7 total square miles. 45% of the City's residents live in Southern Dallas (91% of the residents are minorities in Southern Dallas).*

Redlining Violates the Fair Housing Act and the Equal Credit Opportunity Act

The federal financial regulators have long recognized that redlining violates the fair lending laws, including in the following policy documents:

- 1994 Interagency Policy Statement on Discrimination in Lending: Redlining refers to the illegal practice of refusing to make residential loans or imposing more onerous terms on any loans made because of the predominant race, national origin, etc., of the residents of the

¹ "<https://www.justice.gov/crt/case-document/report-and-recommendation-united-states-v-kleinbank-d-minn>
<https://www.justice.gov/crt/case-document/order-entering-settlement-agreement-and-agreed-order-united-states-v-first>

<https://www.justice.gov/crt/case-document/consent-order-united-states-v-union-savings-bank-and-guardian-savings-bank-sd-oh-0>

neighborhood in which the property is located. Redlining violates both the Fair Housing Act and the Equal Credit Opportunity Act.

- 2009 Interagency Fair Lending Examination Procedures: Redlining is a form of illegal disparate treatment in which a lender provides unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristic(s) of the residents of the area in which the credit seeker resides or will reside or in which the residential property to be mortgaged is located.

Courts have repeatedly recognized that redlining is a violation of the Fair Housing Act and the Equal Credit Opportunity Act. *See, e.g., Ring v. First Interstate Mortgage, Inc.*, 984 F. 2d 924 (8th Cir. 1993); *Hirschfeld v. Metlife Bank, N.A.*, 2012 WL 3240669 (E.D.N.Y. July 31, 2012); *JAT, Inc. v. Nat'l City Bank of Midwest*, 460 F. Supp. 2d 812, 819-20 (E.D. Mich. 2006); *Hargraves v. Capital City Mortg. Corp.*, 140 F. Supp. 2d 7, 21 (D.D.C. 2000); *Milton v. Bancplus Mortgage Corp.*, 1996 WL 197532 (N.D. Ill. Apr. 19, 1996); *Old West End Ass'n v. Buckeye Federal Sav. & Loan*, 675 F. Supp. 1100 (N.D. Ohio 1987); *Harrison v. Otto G. Heinzerth Mortg. Co.*, 430 F. Supp. 893 (N.D. Ohio 1977); *Laufman v. Oakley Bldg. & Loan Co.*, 408 F. Supp. 489 (S.D. Ohio 1976).

Since the 1990s, the DOJ has litigated multiple court-approved settlements citing redlining as a violation of the Fair Housing Act and the Equal Credit Opportunity Act.

Redlining Violates the Fair Housing Act

The Fair Housing Act, 42 U.S.C. § 3601, et seq., prohibits discrimination in housing and “residential real estate-related transactions” on the basis of race, color, national origin, sex, religion, familial status, or disability. A “residential real estate-related transaction” includes making loans or providing other financial assistance for purchasing, constructing, improving, repairing, or maintaining a dwelling. 42 U.S.C. § 3605(b)(1)(A). In addition, the U.S. Department of Housing and Urban Development (“HUD”) has the authority to promulgate regulations to implement the Fair Housing Act, which can be found at 24 C.F.R. Part 100.

Redlining is prohibited under the following provisions of the Fair Housing Act (in relevant part) and its implementing regulation:

- It shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, or national origin.
 - *Fair Housing Act: 42 U.S.C. § 3605(a).*
 - *Regulations: 24 C.F.R. §§ 100.110(b), 100.120(a)-(b).*
- It shall be unlawful to discriminate against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, or national origin.
 - *Fair Housing Act: 42 U.S.C. § 3604(b).*
 - *Regulations: 24 C.F.R. §§ 100.50(b)(2), 100.65.*

- It shall be unlawful to refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, or national origin.
 - *Fair Housing Act: 42 U.S.C. § 3604(a).*
 - *Regulation: 24 C.F.R. § 100.50(b)(3).*
- It shall be unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, or national origin, or an intention to make any such preference, limitation, or discrimination.
 - *Fair Housing Act: 42 U.S.C. § 3604(c).*
 - *Regulation: 24 C.F.R. § 100.50(b)(4).*

Redlining Violates the Equal Credit Opportunity Act

The Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691, et seq., prohibits a creditor from discriminating in any aspect of a credit transaction on the basis of race, color, national origin, sex, religion, marital status, age, because all or part of the applicant’s income derives from any public assistance program, or because of the applicant’s exercise in good faith of any right under the Consumer Credit Protection Act. ECOA applies to any extension of credit, including mortgage loans and small business loans. 15 U.S.C. § 1691a(d). In addition, the Consumer Financial Protection Bureau (“CFPB”) has the authority to promulgate regulations to implement the ECOA, which is known as “Regulation B” and can be found at 12 C.F.R. Part 1002.

Redlining is prohibited under the following provisions of the ECOA and its implementing regulation:

It shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction, on the basis of race, color, or national origin. Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1). Regulation: 12 C.F.R. § 1002.4(a).

- A creditor shall not make any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage, on the basis of race, color, or national origin, a reasonable person from making or pursuing an application. Regulation: 12 C.F.R. § 1002.4(b). (See also Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1)).
- ECOA and Regulation B prohibit discrimination on a “prohibited basis,” which includes on the basis of race, color, and national origin. 12 C.F.R. § 1002.2(z). The commentary to Regulation B clarifies that a creditor may not discriminate against persons associated with the applicant on a prohibited basis, including, for example, “because of the race of other residents in the neighborhood where the property offered as collateral is located.” 12 C.F.R. Part 1002, Supp. I, ¶ 2(z)-1.

Regulatory Framework: Bank Supervision and Enforcement

Each of the federal financial regulators has the authority to examine and supervise the regulated financial institutions within its jurisdiction for compliance with the fair lending laws: the Fair Housing Act and ECOA.

ECOA requires the regulators refer matters to the Justice Department when a creditor is engaged in a pattern or practice of discrimination which violates ECOA.

Redlining Cases

Justice Department Announces New Initiative to Combat Redlining

<https://www.justice.gov/opa/pr/justice-department-announces-new-initiative-combat-redlining>

Justice Department and Office of the Comptroller of the Currency Announce Actions to Resolve Lending Discrimination Claims Against Cadence Bank

<https://www.justice.gov/opa/pr/justice-department-and-office-comptroller-currency-announce-actions-resolve-lending>

Justice Department Secures Agreement with Lakeland Bank to Address Discriminatory Redlining

<https://www.justice.gov/opa/pr/justice-department-secures-agreement-lakeland-bank-address-discriminatory-redlining>

Justice Department Secures Over \$31 Million from City National Bank to Address Lending Discrimination Allegations

<https://www.justice.gov/opa/pr/justice-department-secures-over-31-million-city-national-bank-address-lending-discrimination>

Justice Department Secures \$9 Million from Park National Bank to Address Lending Discrimination Allegations

<https://www.justice.gov/opa/pr/justice-department-secures-9-million-park-national-bank-address-lending-discrimination>

Justice Department Announces Actions to Resolve Lending Discrimination Claims Against Evolve Bank and Trust

<https://www.justice.gov/opa/pr/justice-department-announces-actions-resolve-lending-discrimination-claims-against-evolve>

CFPB, DOJ Order Trident Mortgage Company to Pay More Than \$22 Million for Deliberate Discrimination Against Minority Families

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-doj-order-trident-mortgage-company-to-pay-more-than-22-million-for-deliberate-discrimination-against-minority-families/>

Cadence Bank Announces Settlement of Claims Made by U.S. Department of Justice and the Office of the Comptroller of the Currency

<https://www.justice.gov/crt/case/united-states-v-cadence-bank>

Conclusion

The CRA regulation is unequivocal — any failure to comply with laws governing fair and responsible lending overrides satisfactory CRA performance. The regulation explicitly states that a bank's rating can be "adversely affected by evidence of discriminatory or other illegal credit practices," encompassing violations of key laws such as the Equal Credit Opportunity Act, Fair Housing Act, Home Ownership and Equity Protection Act, Federal Trade Commission Act, Real Estate Settlement Procedures Act, and Truth in Lending Act.

Simmons Bank (former Southwest Bank) 's board and senior management have neglected to recognize redlining risks and implement necessary corrective measures. We formally request the denial of this merger and urge for a thorough review, with appropriate referral to the U.S. Department of Justice (DOJ) and the Consumer Financial Protection Bureau (CFPB).

Sincerely,

James McGee

James McGee
President/Chair
JMcGee@SouthernDallasProgress.com
Southern Dallas Progress Community Development Corporation

CC:

Department of Justice
Antitrust Division/Redlining
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington DC 20530

Consumer Financial Protection Bureau, Enforcement
PO Box 27170
Washington, DC 20038



January 9, 2025

Via Electronic Mail

Federal Deposit Insurance Corporation
Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
DALMailRoom@fdic.gov

Re: Additional Correspondence Concerning Simmons Bank

Dear Sir or Madam:

Simmons Bank (“Simmons”) is in receipt of two (2) additional letters from James McGee (“Mr. McGee”) of the Southern Dallas Progress Community Development Corporation (“SDPCDC”) dated December 11, 2024, and December 10, 2024, respectively (“Additional Correspondence”). Once again, Mr. McGee misrepresents information about Simmons and its activities. Contrary to his commentary throughout the Additional Correspondence, Simmons takes its regulatory and legal obligations, and its reputation, extremely seriously and continues to be disappointed by Mr. McGee’s abuse of regulatory processes.

Additional Letter #1

The Additional Correspondence alleges “Simmons Bank has not yet provided lending data specific to Southern Dallas and has been unable to supply any information on its marketing and outreach efforts.” Additional Letter #1, p. 1.

Response: Simmons’ Community Reinvestment Act (“CRA”) and Home Mortgage Disclosure Act (“HMDA”) lending data is publicly available. While under no obligation to do so, Simmons has previously explained to Mr. McGee how to access that data. Mr. McGee’s unwillingness or inability to access that data does not constitute a lack of transparency on behalf of Simmons. To the extent that Mr. McGee’s allegation is referring to nonpublic lending data, as Simmons has previously explained to Mr. McGee, Simmons is unable to provide him with nonpublic lending data for, among other reasons, the protection of personally identifiable information.

Simmons’ marketing and outreach efforts in South Dallas have also been shared with Mr. McGee on multiple occasions, most recently in Simmons’ December 5, 2024, response to his original protest letters (“Simmons’ Original Response”). Given the well-documented and disproportionate time and resources that Simmons has spent on providing information to Mr. McGee, his continued claims of ignorance about Simmons’ lending, marketing, and outreach activities and efforts in South Dallas are, at this point, observably false.

Fair Lending Concerns

The Additional Correspondence realleges fair lending concerns and purportedly cites Simmons’ lending data as evidence of those concerns. Additional Letter #1, p. 1-2.

Response: Most of the data that Mr. McGee presents as Simmons’ HMDA lending data is erroneous, as illustrated in the below chart. In regard to Mr. McGee’s allegation that Simmons “trailed” in small business lending in South Dallas (Additional Letter #1, p. 2), Mr. McGee does not cite the basis for his allegation and, elsewhere in the Additional Correspondence, conflictingly claims to have not received the lending data necessary to make that incorrect allegation (Additional Letter #1, p. 1, 4).

Calendar Year¹	2018	2019	2020²	2021³	2022^{4, 5}
HMDA Loans in Dallas County, per Mr. McGee	74	60	175	104	77/113
Actual⁶ HMDA Loans in Dallas County	91	77	193	113	126
HMDA Loans to African Americans in Dallas County, per Mr. McGee	0	1	5	6	8/14
Actual HMDA Loans to African Americans in Dallas County	0	1	5	8	15
Percentage of HMDA Loans in Majority Black Neighborhoods in DFW MSA ⁷ , Compared to Peers, per Mr. McGee	Below peer	Below Peer	Below Peer	Below Peer	Below Peer/Below Peer
Percentage of Actual HMDA Loans in Majority Black Neighborhoods in DFW MSA, Compared to Peers	Below peer	Above Peer	Comparable to Peer	Comparable to Peer	Above Peer
Percentage of HMDA Loans in Majority Hispanic Neighborhoods in DFW MSA, Compared to Peers, per Mr. McGee	Below peer	Below Peer	Below peer	Below peer	Below Peer/Below Peer
Percentage of Actual HMDA Loans in Majority Hispanic Neighborhoods in DFW MSA, Compared to Peers	Below peer	Above Peer	Below peer	Below peer	Above Peer
HMDA Loans in Southern Dallas ⁸ , per Mr. McGee	0	0	0	0	0/0
Actual HMDA Loans in Southern Dallas	17	11	12	10	70

¹ The CRA Protest Letters and Additional Correspondence cite data from “2018 to 2019,” “2019 to 2020,” and so on. While it is not entirely clear how Mr. McGee has purportedly pulled the lending data, it is assumed that these date ranges correspond with the calendar years presented on the above chart.

² In December 2020, Simmons implemented its 100% Affordable Advantage Mortgage loan product.

³ On December 13, 2021, Simmons opened its first branch in South Dallas, a temporary branch located at 655 W. Illinois Avenue. Simmons’ two permanent branches in South Dallas, located at 3308 W. Camp Wisdom Road, and 2498 W. Illinois Avenue, were opened on October 23, 2023, and December 4, 2023, respectively, after the timeframe presented on the above chart.

⁴ In the fall of 2022, Simmons implemented its ITIN Affordable Advantage Mortgage loan product.

⁵ The CRA Protest Letters and Additional Correspondence cite different, equally erroneous data for “2022 to 2023.” In this column, the first figures list data from Mr. McGee’s October 28, 2024, Protest Letter, and the second figures list data from Mr. McGee’s December 11, 2024, Protest Letter.

⁶ Simmons’ HMDA lending data as reported to the Consumer Financial Protection Bureau for the relevant timeframe.

⁷ While Simmons does not include all of the DFW MSA in its assessment area, Simmons’ HMDA lending data “in DFW MSA” is comprised of all reportable loans made in its assessment area that fall within the DFW MSA.

⁸ While the CRA Protest Letters and Additional Correspondence do not define “Southern Dallas,” Simmons understands this phrase to include the area located south of Interstate 30 (I-30) in Dallas County and has based its actual numbers on that understanding.

As noted in Simmons’ Original Response (p. 2, 4), Simmons’ HMDA and other lending data speak for themselves. They reflect Simmons’ voluntary entry into the South Dallas market in 2018 and intentional efforts to reach the unbanked and underbanked residents of that market. Those efforts have resulted in Simmons exceeding peer lending within majority Black and majority Hispanic census tracts for the last reportable year of 2022.

Products available to the Underserved/Minority Communities

The Additional Correspondence realleges that Simmons “does not have any special-purpose credit programs to address disparities in small business lending in underserved high minority communities like Southern Dallas” and “fails to offer Credit Builder Loans or Credit Builder Loans [sic] to help Rebuild Southern Dallas LMI residents’ Credit History.” Additional Letter #1, p. 2-3. Mr. McGee adds that Simmons “failed to address” these items in its prior response. *Id.*, p. 2.

Response: See Simmons’ Original Response (p. 3), wherein Simmons clearly addresses these items. (“Regarding special-purpose credit programs and loans, Simmons offers a 100% Affordable Advantage Mortgage, ITIN Affordable Advantage Mortgage, Affordable Advantage *Credit Builder Loan*, and other mortgage and loan products designed for low- and moderate-income borrowers. Further, Simmons partners with the Federal Home Loan Bank with the use of its HELP grant program which provides down payment assistance to borrowers.” (emphasis added)). In addition to the products specifically listed in Simmons’ Original Response, Simmons also offers an Affordable Advantage Emergency Loan, Affordable Advantage Home Improvement Loan, 100% Affordable Advantage Construction Loan, and 97% Affordable Advantage Mortgage.

Activities Under the CRA since the Most Recent CRA Performance Evaluation

The Additional Correspondence realleges “Simmons Bank failed to describe any significant Southern Dallas CRA initiatives” or “provide any details current [sic] community outreach and marketing efforts to residents and businesses throughout Bank’s [sic] low-income census tracts, moderate-income census tracts, and major minority census tracts, specifically in South Dallas.” Additional Letter #1, p. 3. Mr. McGee adds that Simmons failed to provide “a detailed written response of initiatives undertaken.” *Id.*, p. 3.

Response: See Simmons’ Original Response, wherein Simmons clearly addresses these items. See also Simmons’ public CRA file, which Simmons has previously shared with Mr. McGee on several occasions. Since entering the South Dallas market in 2018, Simmons has sought to meet the needs of South Dallas and its residents. Simmons has expanded its branch network to include two new permanent branches in South Dallas (Simmons’ Original Response, p. 1, and above), expanded its product offerings to enhance its ability to meet the needs of unbanked and underbanked residents (*Id.*, p. 2-3, and above), and engaged and partnered with many individuals and community organizations (*Id.*, p. 5). In addition to the items listed in Simmons’ Original Response, Simmons has, among other things, recently awarded a total of \$20,000 in CRA grants to Dallas City Homes, the Zan Wesley Holmes, Jr. Community Outreach Center; the Austin Street Center; and The Way Back to commemorate the one-year anniversary of the opening of the Simmons’ branch at 3309 W. Camp Wisdom Road.

In regard to marketing efforts, Simmons' marketing program has included advertising on radio stations such as KBFB-FM 97.9, KBOC-FM 98.3, KDXX-FM 107.9, KKDA-FM 104.5, KLNO-FM 94.1, KMVK-FM 107.5, KNOR-FM 93.7, KRNB-FM 105.7, KZMJ-FM 94.5, and KZZA-FM 106.7, and advertising in print publications such as the Dallas Weekly, the People Newspapers, the Star Telegram, the Dallas Morning News, and The African Herald. Simmons' radio and print advertising have highlighted products such as the 100% Affordable Advantage Mortgage. Given the well-documented and disproportionate time and resources that Simmons has spent on providing information to Mr. McGee, including much of the foregoing information, his continued claims of ignorance about Simmons' CRA-related activities and efforts in South Dallas are, at this point, observably false.

Simmons Bank lacks Product Innovation and Flexibility

The Additional Correspondence relists several community development programs or funds in which Simmons Bank does not invest, and claims that Simmons has "failed to even review and consider" these programs. Additional Letter #1, p. 3.

Response: See Simmons' Original Response (p. 3), wherein Simmons addresses these items. Again, while Simmons is committed to community development in South Dallas and is open to all opportunities for investment, it is not obligated to make every (or, indeed, *any*) investment demanded by Mr. McGee, especially considering the volume of his requests.

Redlining Southern Dallas/Illegal Discrimination

The Additional Correspondence realleges "From 1985 to 2019 (34 years), Simmons Bank engaged in unlawful redlining by acting to meet the credit needs of majority White Middle to Upper Income neighborhoods ... while avoiding the credit needs to Low to Moderate census tracts in Southern Dallas." Additional Letter #1, p. 2-3. The Additional Correspondence adds the allegation that "Simmons Bank failed to conduct sufficient compliance-focused due diligence before acquiring Southwest Bank." Id.

Response: See Simmons' Original Response (p. 3), wherein Simmons addresses the allegation that it engaged in redlining in Dallas for a period of over 30 years (despite not even entering the Dallas market until 2018). To be clear, at no time has Simmons engaged in unlawful redlining. Mr. McGee's new allegation regarding Simmons' lack of "compliance-focused due diligence" of Southwest Bank is equally baseless. Simmons' "compliance-focused due diligence" of Southwest Bank – specifically, CRA and fair lending analysis – was included in Simmons' application for its merger with Southwest Bank.

Community Development Lending, Small Business/Commercial Lending, and Mortgage Lending

The Additional Correspondence realleges "Simmons Bank made a significant [sic] lower level of Community Development loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas)," "significant [sic] lower level of Small Business/Commercial loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas)," and "significant [sic] lower level of mortgage loans in minority areas (Southern Dallas) when compared to majority-white areas (Northern Dallas)." Additional Letter #1, p. 4. Mr. McGee adds,

conflictingly, that Simmons has failed to provide any of the lending data necessary to make the foregoing allegations. Id., p. 4.

Response: As noted in Simmons' Original Response and above, Simmons' public lending data speaks for itself. It reflects Simmons' voluntary entry into the South Dallas market in 2018 and intentional efforts to reach the unbanked and underbanked residents of that market.

Membership in Minority Trade Organizations, Chambers, and Minority Real Estate Trade Organizations

The Additional Correspondence relists several organizations in which Simmons Bank is not a member. Additional Letter #1, p. 4-5.

Response: See Simmons' Original Response (p. 3), wherein Simmons addresses these items. Again, while Simmons is committed to community development in South Dallas and is open to all opportunities for partnership, it is not obligated to participate in every (or, indeed, *any*) organization demanded by Mr. McGee, especially considering the volume of his requests.

Lack of Loyalty, Lack of Collaboration, and Lack of Integrity

The Additional Correspondence concludes by alleging a lack of loyalty, collaboration, and integrity. Additional Letter #1, p. 5.

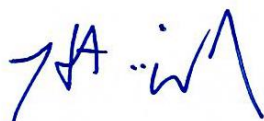
Response: As noted in Simmons' Original Response (p. 3, 5), despite Simmons' efforts to maintain a productive relationship with Mr. McGee, Mr. McGee has grown increasingly antagonistic in his communications with Simmons which has, understandably, resulted in Simmons shifting its approach to communicating with Mr. McGee. In other words, Mr. McGee's perceived "lack of collaboration" from Simmons is the direct result of the unacceptable nature of his interactions with Simmons.

Additional Letter #2

The second additional letter contains no new allegations against Simmons to be addressed.

Simmons has proposed merging with two wholly owned, operating subsidiaries. Neither subsidiary has any connection to the Dallas market and, as stated in the application, the proposed transactions will not have any CRA implications. Additionally, Mr. McGee's correspondence is devoid of any credible claim that Simmons has violated any regulatory obligation and represents an abuse of regulatory processes. We, therefore, continue to respectfully request that Simmons' applications for these mergers be swiftly approved.

Sincerely,



Hunter Windle
Vice President/Senior Counsel

cc: James McGee
Southern Dallas Progress Community Development Corporation
JMcGee@SouthernDallasProgress.com

Federal Reserve Bank of St. Louis
1421 Dr. Martin Luther King Drive
St. Louis, Missouri 63106

Arkansas State Bank Department
1 Commerce Way, Suite 303
Little Rock, Arkansas 72202



January 15, 2025

Via Electronic Mail

Federal Deposit Insurance Corporation
Dallas Regional Office
600 North Pearl Street, Suite 700,
Dallas, Texas 75201
DALMailRoom@fdic.gov

Re: Additional Correspondence Concerning Simmons Bank

Dear Sir or Madam:

Simmons Bank (“Simmons”) is in receipt of two (2) more protest letters from James McGee (“Mr. McGee”) of the Southern Dallas Progress Community Development Corporation, both dated January 9, 2025. However, Mr. McGee does not provide any new information or make any new claims. Accordingly, Simmons refers the FDIC to its previous responses dated December 6, 2024, and January 9, 2025, respectively.

If the FDIC has any questions or requires any additional information to supplement this response, we will be happy to provide it.

Sincerely,

Hunter Windle
Vice President/Legal Counsel

cc: James McGee
Southern Dallas Progress Community Development Corporation
JMcGee@SouthernDallasProgress.com

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