Small Business Access to Bank Credit:
The Little Engine that Could

California Reinvestment Coalition

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California Reinvestment Coalition

The California Reinvestment Coalition is a Community Reinvestment Act advocacy coalition of more than two hundred and forty community-based organizations. CRC began its advocacy efforts in 1986 when Wells Fargo Bank acquired Crocker Bank. It currently has Community Reinvestment Act agreements with major California financial institutions including Bank of America, Comerica Bank, City National Bank, Union Bank, U.S. Bank, Washington Mutual Bank, and Wells Fargo Bank. These agreements all include language targeting the needs of small and minority-owned businesses located in lower income neighborhoods.

In 1994, CRC published its first report on small business lending, *No Credit for Those Who Need It: Uncle Sam Ignores Small and Minority Business*, reviewing SBA lending in California Counties. In 1998, CRC published a report, *New Small Business Lending Horizons: How Banks and Technical Assistance Providers Can Create a Vibrant New Business Lending Market*, on the dramatic positive impact of technical assistance to small businesses.

In early 2002, CRC published *Small Business Access to Credit; the Little Engine that Could* looking at 2000 small business lending by financial institutions. A second report published in December 2002 reviewed the following lending year, 2001, and a third report reviewed 2002. This fourth report reviews the lending year 2005 (the most recent public data) and analyzes small business lending using a different methodology to review the data.

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Executive Summary

California's small and minority-owned businesses experience great difficulty in accessing credit from major banks. Access to mainstream credit is critical to the survival of these businesses. This lack of access comes at a time when the California economy has dropped from the sixth largest economy in the world to the eighth and as the financial divide between those with wealth and those without continues to grow. As a result, the dip in the economy has had a harsher impact on lower-income people and neighborhoods. These neighborhoods rise and fall on the strength of local small businesses: the engines of the economy. Strong local businesses have a holistic impact on their neighborhoods from offering employment opportunities for local residents to making a vibrant local retail business district.

This report reviews the most recent publicly-available data on small business access to mainstream finance and finds that small businesses continue to have great difficulty accessing capital. The California Reinvestment Coalition is concerned about the resilience and strength of our economy and its impact on the people of California. This report scrutinizes the ability of small businesses to access mainstream capital from the fifteen major business lenders in six key California counties[1]. Together, these fifteen banks held one-half billion dollars in deposits from Californians in 2005.

CRC graded these banks on whether 1) they used community capital to support local businesses (Fair Share Measure) and 2) their lending to very small and minority-owned businesses was proportional to the amount of small businesses in lower income neighborhoods (Bootstrap Lending Measure).

- Citibank was the only bank that did a satisfactory job in these six California counties. It received a B- grade. It did a particularly good job of meeting credit needs in Alameda County.
- California's largest bank, Bank of America offered the least access of any bank and received a failing grade of F for its small business lending. It received only one point in total out of a possible twelve points across the six counties.
- Wells Fargo Bank received a C grade. It lent more than its share in general but was not good at lending to very small businesses in California's lower income neighborhoods.
- In California's largest city, Los Angeles, the ninth largest bank, U.S. Bank got a perfect score in offering access to small businesses. In contrast, the state's tenth largest bank, City National Bank, got no points in its headquarters county of Los Angeles and flunked this rating.

Banks are failing lower-income communities and their business districts. This lack of responsiveness to California's small businesses particularly those in lower income

[1] Alameda, Fresno, Los Angeles, Sacramento, San Diego and Santa Clara Counties of California.

neighborhoods is startling when contrasted with the many announced initiatives from banks to meet the credit needs of small businesses, minority-owned businesses and businesses in under-served business districts.

Federal oversight is failing California communities: Community groups have called consistently for small business lending information from the Federal Reserve System to be public and allow deeper scrutiny and knowledge of the gaps in this lending for banks and the public. This information has been long-delayed by the Federal Reserve but would be expected to open new opportunities for these small businesses as the expansion of data on home mortgages did for home lending in the early 1990's.

As long as bank do not equally extend credit to businesses in lower income areas, these neighborhoods cannot reach their economic potential. Nor, can the residents of these communities have the same opportunities for employment and economic success as those in other, wealthier neighborhoods.

Introduction

The economic strength of every California neighborhood depends on the vitality of its local business district. Neighborhood businesses keep local commercial districts humming, hire neighborhood residents, and keep the local tax base strong. Local businesses are critical to the positive socio-economic structure of our state and our nation. They are often called the engine of the economy.

> *The Little Engine that Could*
> This familiar children's book by Watty Piper has inspired generations of children since its publication in 1930. The little train is able to climb the hill by trying harder. Small businesses are often referred to as the engine of the economy. Trying hard is not enough for these small businesses. They need the assistance of mainstream capital which is the focus of this report.

As a recent Federal Reserve Bulletin reports[2] "small businesses are an integral part of the U.S. economy. They account for about half of its private-sector output, employ more than half of private-sector workers and have generated 60 to 80 percent of new jobs annually over the past decade." Most of these businesses come into existence through the personal financial resources of the owner themselves as well as their friends and family. However, as the business matures, its growth depends more and more on its ability to obtain bank loans. If bank lenders do not offer credit, small businesses may falter. In the business world, it is too often true that businesses must grow or die. If neighborhood businesses die, the neighborhood and its residents suffer.

The eternal question for those who want all neighborhoods to be economically, and thus socially, strong is whether small and minority-owned businesses are being served by local bank branches. This is particularly critical in lower income neighborhoods where the economic positive may be harder to grasp and hold on to while the negative looms too near.

This report seeks to answer two very basic and vitally important questions about small business lending: 1) Are the deposits that residents put in their community's banks getting invested back in their neighborhood's businesses? *(the Fair Share Measure*) and 2) Are major mainstream business lenders offering credit proportionally to the needs of small businesses in lower income neighborhoods in their area? (the *Bootstrap Lending Measure*).

- *Fair Share Measure*: People assume that their neighborhood bank branch will use its deposits to support local credit needs. The *Fair Share Measure* identifies whether community-based businesses gain an equitable share of community deposits.

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[2] "Financial Services Used by Small Businesses: Evidence from the 2003 Survey of Small Business Finances" by Tracey L. Mach and John D. Wolken, Federal Reserve Bulletin, 2006

- *Bootstrap Lending Measure*: Small businesses are more often minority-owned businesses[3], more likely to hire local residents and thus to strengthen the fabric of the neighborhood. The *Bootstrap Lending Measure* analyzes whether there is equitable access to credit that would allow businesses in a less favored business district to pull themselves up by their bootstraps. It uses the proportion of businesses in lower-income neighborhoods as a proxy for the level of credit need of these businesses.

In our negotiations and meetings with major financial institutions, California Reinvestment Coalition (CRC) members have long focused on small businesses' access to conventional loans. This is particularly a concern for businesses in lower-income areas.[4] It is not an easy question to answer as the public data available is very limited[5]. These loans are often more difficult to obtain by these businesses because mainstream financial institutions focus first on wealthier areas or larger businesses. This is why the U.S. government has identified certain loans and businesses as those that best reflect how well financial institutions are serving the neighborhoods near their branches. These loans are those to businesses with annual revenues less than $1 million.

Small Business Lending Analysis

CRC analyzed which among the largest California-based financial institutions did the most lending to small businesses in 2005 across the six California counties[6] reviewed. Out of the fifteen major business lenders reviewed, the Bank most responsive was **Citibank**. It made a high number of small business loans in comparison to its share of deposits.

In contrast, **Bank of America** scored only one point in all categories in all six counties. Bank of America was the least accessible to low-income business districts and offered the lowest portion of its market share to businesses.

Looking at CRC's core questions about access to credit, those banks who deserve particular mention were:

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[3] In the latest U.S. Census Bureau Survey of Business Owners (2002), California's African American-owned businesses had an average annual revenue of $86, 348. The average for Latino-owned businesses was $133,713, Pacific Islander-owned businesses were $173,935 and for Asian American-owned businesses was $338,483.

[4] For this report, lower income is defined as census tracts with average income levels of 80 percent or less of area median income.

[5] Unlike home mortgage data which includes information on the ethnicity, gender, income and location of the applicant, small business data is aggregaged at the county or metropolitan statistical area (MSA) area by each ten percent section of the area. This gives little data to ascertain the impact of small business lending on neighborhoods.

[6] Alameda, Fresno, Los Angeles, Sacramento, San Diego and Santa Clara Counties of California.

- *Fair Share Measure*:
  - **Citibank** and **Wells Fargo Bank** went far beyond their market share in offering credit to small businesses. These banks had as much as twice the share of small business lending compared to deposits in the six counties.
  - California's largest bank, **Bank of America**, offered a dramatically lower share of small business lending than deposits. Its business market share was consistently half or less of its deposit market share in the six counties.
- *Bootstrap Lending Measure*: **Hanmi Bank** served very small essential businesses in these same neighborhoods at a level that was responsive to their needs.

CRC also reviewed the activity of each individual bank in each of the six counties.

- **Citibank** had a positive perfect score on the *Fair Share* and *Bootstrap Lending Measures* in Alameda County.
- **U.S. Bank** had a positive perfect score in both categories in Los Angeles County.
- In contrast to the financial institutions listed above, **City National Bank** did an extremely poor and below average job of reaching very small and minority-owned businesses in its headquarters city of Los Angeles.
- **Greater Bay Bank** did a very poor and considerably below average job of serving essential businesses in Alameda County.

The Overall Grades

CRC has reviewed California's major bank business lenders and given them letter grades based on their average scores on the *Fair Share* and *Bootstrap Lending Measures*. A Bank received an A if it scored positively on these measures in each of its counties and received an average score of 2.0 across their counties.

As in previous CRC reports on small business lending, it should be noted that none of these major banks did an outstanding job serving the needs of small businesses. Yet, these are critical needs that serve economic and social purposes for California communities. It underscores the lack of responsiveness of the Federal Reserve System in not changing the data reporting on small business so that it mirrors home mortgage data reporting. (The change in mortgage data reporting has meant a tremendous increase in access to credit since 1991.)

B- *Efforts judged as satisfactory or deserving a B- grade*

- **Citibank** received a grade of B- for a score of 1.2. The Bank was particularly impressive for lending to small business lending in a market share measure far larger than its deposits.

C *Efforts judged as adequate or deserving of a C grade*

- **Wells Fargo Bank** operated in all six counties and received a C grade with a score of 1.0. The Bank was particularly noted for a small business market share that was double its deposit market share.
- **Hanmi Bank** did most of its small business lending in Los Angeles but some in San Diego and Santa Clara. It received a C grade on average for those three counties. (Score=1.0)
- **Rabobank** operated in only one of the counties and scored 1.0. **Rabobank** did an above average job of lending to small businesses in lower income neighborhoods.

C- *Efforts judged as somewhat adequate or deserving of a C- grade*

- **California Bank & Trust** and **U.S. Bank** were the only financial institutions to receive a C- among the remaining fourteen business lenders reviewed. **CB&T** received no points in Fresno and only one point in Sacramento among the six counties in which it did business.

Although **U.S. Bank** received a C- overall, it had a perfect score of 2.0 in Los Angeles County. In Sacramento County, **U.S. Bank** reinvested customer deposits in small businesses and reached out to make loans to small businesses in lower income neighborhoods. In contrast, **U.S. Bank** received no points for Alameda, Fresno or San Diego Counties.

D *Efforts judged as needing significant improvement or deserving a D grade*

- **Greater Bay Bank, Pacific Capital Bank** and **Union Bank of California** were very disappointing in their performance. Their lending was far below their deposit market share and reached a small number of businesses in lower income neighborhoods.

F *Efforts judged as substantially below grade level or deserving of an F grade*

- **Bank of America, Bank of the West, City National Bank, Comerica Bank, Washington Mutual Bank,** and **Westamerica Bank** received F's.

County by County Analysis

In **Alameda County**, only **Citibank** scored positively on both the Fair Share and Bootstrap Lending measures.

- *Fair Share Measure*: **Citibank** and **Wells Fargo Bank** had roughly twice the small business market share than their share of deposits. **Bank of America** and **Washington Mutual Bank** had a small business market share less than half the size of their significant share of deposits.
- *Bootstrap Lending Measure*: **California Bank & Trust** did an outstanding job extending credit to very small and minority-owned businesses in lower income areas. **Greater Bay** and **Westamerica Banks** did a very poor and considerably below average job of serving these businesses.

In **Fresno County**, there were no banks that scored on both measures.

- *Fair Share Measure*: **Bank of the Sierra, Citibank** and **Wells Fargo Bank** had roughly twice the small business market share than their share of deposits. In contrast, **Bank of America, Bank of the West, California Bank & Trust, Comerica Bank, Rabobank, U.S. Bank, Washington Mutual Bank,** and **Westamerica Bank** had a small business market share less than half the size of their share of deposits.
- *Bootstrap Lending Measure*: Only **Bank of the West** did even an average job of extending credit to very small and minority-owned businesses in lower income areas.

In **Los Angeles County**, **U.S. Bank** received positive marks for both the Fair Share and Bootstrap Lending Measures.

- *Fair Share Measure*: **Citibank** and **Wells Fargo Bank** had roughly twice the small business market share than their share of deposits. **Bank of America, Bank of the West, City National Bank, Comerica Bank, Hanmi Bank, Union Bank of California** and **Washington Mutual Bank** had a small business market share less than half the size of their share of deposits.
- *Bootstrap Lending Measure*: **California Bank & Trust, Hanmi Bank** and **U.S. Bank** did an above average job of extending credit to very small and minority-owned businesses in lower income areas. **City National Bank** did an extremely poor and below average job of reaching these businesses.

In **Sacramento County**, **Union Bank of California** scored positively in both categories.

- *Fair Share Measure*: **Citibank** and **Wells Fargo Bank** had roughly twice the small business market share than their share of deposits. Each and every one of the other banks had a small business market share less than half the size of their share of deposits.
- *Bootstrap Lending Measure*: **Comerica Bank, Union Bank of California,** and **U.S. Bank** did an above average job of extending credit to very small and minority-owned businesses in lower income areas.

In **San Diego County**, there were no banks that scored positively in both categories.

- *Fair Share Measure*: **Citibank** and **Wells Fargo Bank** had roughly twice the small business market share than their share of deposits. **Bank of America, Bank of the West, California Bank & Trust, City National Bank, Comerica Bank, U.S. Bank** and **Washington Mutual Bank** all had a small business market share less than half the size of their share of deposits.
- *Bootstrap Lending Measure*: **Bank of the West, City National Bank,** and **Hanmi Bank** did an above average job extending credit to very small and minority-owned businesses in lower income areas.

In **Santa Clara County**, there were no banks that scored in both categories.

- *Fair Share Measure*: **Citibank** and **Wells Fargo Bank** had roughly twice the small business market share than their share of deposits. **Bank of America, Bank of the West, California Bank & Trust, Comerica Bank, Greater Bay Bank, Pacific Capital Bank, Union Bank of California** and **Washington Mutual Bank** had a small business market share less than half the size of their share of deposits.
- *Bootstrap Lending Measure*: **Greater Bay Bank** and **Pacific Capital Bank** did an above average job extending credit to very small and minority-owned businesses in lower income areas.

Summary

It is clear from the data available that small and minority-owned businesses continue to experience great difficulties accessing credit. These difficulties translate into impediments to the economic and social vitality of lower income and indeed all communities. CRC hopes that this report will prompt lenders to focus more on small business lending in lower income neighborhoods, give Congress impetus to hold hearings on these issues, and convince the Federal Reserve System that the collection of race data in small business lending would allow a full discussion of whether the market is operating in an equitable fashion. At this point, the data would indicate that the market does not meet the needs or the implicit requirements of market share.

Since small businesses are crucial to economic growth and prosperity in lower income communities, the facts in this report reveal that barriers for minority business owners and small businesses in lower income neighborhoods continue to limit and circumscribe these neighborhoods. The dismal failure of these major financial institutions to meet both the Fair Share and the Bootstrap Lending Measure exposes the enormous holes in the supposed American ideal of equal opportunity. A strong engine of economic recovery is severely hindered by these unequal barriers to credit.

The failure of these financial institutions to reach parity in every county illustrates that small businesses in low income areas or those owned by entrepreneurs of color still do not have an even playing field. A 2000 Federal Reserve survey of banks found that two-thirds of the 143 bank respondents reported that Community Reinvestment Act-related lending led to new, profitable opportunities for their bank. This shows that with oversight, the "free market" can work for those with the greatest need.

Immediate remedies to these inequities should be offered by these major financial institutions. In addition, the U.S. Congress should investigate the federal regulators who are responsible for overseeing these lenders. CRC makes the following recommendations based on this study:

- CRC's study of small business lending is a clear indicator that the major business lenders are not doing an adequate job of meeting the needs of small businesses, minority-owned businesses and business in lower income neighborhoods. Each and every one of these institutions needs to revamp their marketing and underwriting to more fully meet those credit needs.
- Federal financial regulators are not doing an adequate job scrutinizing the small business lending of major financial institutions to ensure that there is an even playing field for entrepreneurs of color and small business owners in lower income communities.
- The Federal Reserve should take Regulation B[7] off its dusty back shelf and allow financial institutions to voluntarily collect race data on business borrowers. As has already occurred with the collection of home mortgage data (HMDA), this will expand opportunity for business owners of color.

[7] Regulation B does not allow financial institutions to collect data on an applicants' race, gender, or other protected personal characteristics.

Appendix A

Methodology

This report is a focused assessment of the level of access offered to small businesses in six California counties by the major business banks in California. Those reviewed are the fifteen major business lenders among California's largest financial institutions by deposit market share. The report reviews lending in the six counties of Alameda, Fresno, Los Angeles, Sacramento, San Diego and Santa Clara which were chosen for being representative of the diversity of California. The banks are assessed by two measures of accessibility based on a total of two points possible in each county:

- *Fair Share Measure*: This compares whether a bank's market share of essential business lending is equal to or greater than its market share of customer deposits. Business and retail customers regularly put their money in a particular bank not only because of the type of account offered but also with an assumption that their money will be used for the community needs of their county.
  - Example One: Bank X does 10 percent of all essential business lending in a county (its market share) and has 30 percent of all customer deposits in the county (its deposit market share). Its essential business lending market share is lower than its deposit market share. It is giving less back to the community than it takes. It gets no points.
  - Example Two: Bank Y does 30 percent of all essential business lending in a county (its market share) and has 10 percent of all customer deposits in the county (its deposit market share). Its essential business lending market share is greater than its deposit market share. It is giving even more back to the community than it takes. It gets one point.

- *Boot Strap Lending Measure*: This compares the proportion of a particular bank's essential lending to very small businesses (less than $1 million in annual revenue) in lower-income areas to the proportion of all very small businesses in those areas. These very small businesses in lower income areas often have great difficulty obtaining credit. Based on revenue size, these businesses are also more likely to be minority-owned. The health of these businesses is critical to the socio-economic structure of under-served neighborhoods. They are more likely to employ neighborhood residents and respond to specific neighborhood needs.

  This is a measure of how much a specific bank is reaching out to the most essential businesses in lower income neighborhoods. The proportion of all very small businesses is used as a proxy for the amount of need that exists. So, this is a measure of how well business lenders are meeting the need in lower income neighborhoods.
  - Example One: Bank X does 10 percent of all very small business lending in the lower income neighborhoods of a county while 30 percent of all very small businesses in the county are in lower income neighborhoods. Its' very small

business lending proportion is lower than the proportion of such businesses in those neighborhoods. The bank's lending is not matching the very small business demand in these neighborhoods. It gets no points.

- ○ Example Two: Bank Y does 30 percent of all very small business lending in the lower income neighborhoods of a county while 10 percent of all such businesses in the county are in lower income neighborhoods. Its' very small business lending proportion is greater than the proportion of such businesses in those neighborhoods. The bank's lending more than matches the total very small business demand in these neighborhoods. It gets one point.

The smallest businesses are also most likely to be minority-owned businesses. In the latest U.S. Census Bureau Survey of Business Owners (2002), California's African American-owned businesses had an average annual revenue of $86, 348. The average for Latino-owned businesses was $133,713, Pacific Islander-owned businesses were $173,935 and for Asian American-owned businesses was $338,483.

Methodology for the Grades

- The maximum points that any bank can be awarded in one county is two if they scored in each of the two categories. The banks were each graded on their average score across all the counties in which they did business lending. So, two points was an A. A B grade was 1.5 points. A C grade was 1.0 points. A D grade was 0.5 points and an F was below 0.5.
- ✓ Bank X lent in all six counties and had a total score of twelve received an average of 2.0. (Twelve points divided by six counties.) This would be an A grade.
- ✓ Bank Y lent in the six counties and had a total score of six. It received an average score of one. (Six points divided by six counties.) This would be a C grade.

Appendix B

Data by County

Alameda County

	Shr Biz	Shr Deposits	Loans	Biz<$1M	%	Points
Bank of America	10.0%	23.0%	4,814	692	27%	0
Bank of the West	1.2%	4.0%	576	85	27%	0
Businesses in Low/Mod					**33%**	
California Bank & Trust	0.3%	0.9%	165	37	44%	1
Citibank	17.4%	5.0%	8,374	100	34%	2
City National Bank	0.2%	0.3%	74	6	32%	0
Comerica Bank	0.2%	0.0%	119	5	29%	1
Greater Bay Bank	0.5%	1.1%	253	10	15%	0
Hanmi Bank	0.3%	0.0%	16			
Union Bank of California	1.2%	2.2%	587	90	33%	1
US Bank	1.5%	2.6%	718	111	25%	0
Washington Mutual Bank	0.5%	13.2%	235	80	39%	1
Wells Fargo Bank	29.8%	18.3%	14,311	2,218	27%	1
Westamerica Bank	0.2%	0.2%	96	5	14%	1

Fresno County

	Shr Biz	Shr Deposits	Loans	Biz<$1M	%	Points
Bank of America	9.8%	25.5%	2,020	300	31%	0
Bank of the West	0.9%	6.1%	182	31	34%	1
Businesses in Low/Mod					**34%**	
California Bank & Trust	1.0%	3.3%	215	18	20%	0
Citibank	17.9%	6.9%	3,711	32	26%	1
Comerica Bank	0.2%	1.9%	39	3	27%	0
Rabobank	0.4%	1.0%	19	7	37%	1
Union Bank of California	6.2%	6.6%	1,287	165	26%	0
US Bank	0.3%	1.9%	54	8	24%	0
Washington Mutual Bank	0.4%	6.6%	85	17	22%	0
Wells Fargo Bank	20.8%	11.8%	4,305	596	26%	1
Westamerica Bank	1.1%	4.3%	234	23	26%	0

Los Angeles County

	Shr Biz	Shr Deposits	Loans	Biz<$1M	%	Points
Bank of America	11.6%	20.5%	38,619	5,823	28%	1
Bank of the West	0.5%	2.3%	1,655	216	27%	0
Businesses in Low/Mod					**28%**	
California Bank & Trust	0.3%	1.0%	1,080	244	46%	1
Citibank	20.8%	4.6%	72,186	460	24%	1
City National Bank	0.6%	4.6%	1,881	95	15%	0
Comerica Bank	0.2%	3.5%	682	36	24%	0
Hanmi Bank	0.5%	1.0%	1,655	600	52%	1
Pacific Capital Bank	0.0%	0.1%	81	14	25%	0
Union Bank of California	2.1%	5.6%	6,966	811	23%	0
US Bank	1.0%	0.9%	3,321	617	30%	2
Washington Mutual Bank	1.0%	12.2%	3,328	728	25%	0
Wells Fargo Bank	22.6%	10.0%	74,997	10,094	24%	1

Sacramento County

	Shr Biz	Shr Deposits	Loans	Biz<$1M	%	Points
Bank of America	9.9%	18.7%	3,876	668	31%	0
Bank of the West	0.5%	4.7%	210	40	36%	0
Businesses in Low/Mod					**38%**	
California Bank & Trust	0.3%	1.9%	120	21	38%	1
Citibank	16.1%	2.4%	6,308	34	37%	1
Comerica Bank	0.1%	1.7%	34	9	50%	1
Union Bank of California	0.8%	2.4%	310	45	40%	1
US Bank	2.7%	15.3%	1,044	271	40%	1
Washington Mutual Bank	0.4%	9.9%	161	41	29%	0
Wells Fargo Bank	27.6%	17.5%	10,831	1,521	30%	1
Westamerica Bank	0.4%	1.4%	146	7	24%	0

San Diego County

	Shr Biz	Shr Deposits	Loans	Biz<$1M	%	Points
Bank of America	7.9%	18.2%	8,048	995	23%	0
Bank of the West	0.2%	0.7%	239	25	29%	1
Businesses in Low/Mod					**27%**	
California Bank & Trust	1.0%	5.5%	1,035	124	27%	1
Citibank	20.3%	1.9%	20,781	61	23%	1
City National Bank	0.1%	0.4%	112	9	35%	1
Comerica Bank	0.1%	1.4%	102	4	21%	0
Hanmi Bank	0.1%	0.1%	84	14	28%	1
Union Bank of California	8.0%	10.6%	8,180	1,092	24%	0
US Bank	1.2%	4.1%	1,204	164	23%	0
Washington Mutual Bank	1.0%	15.4%	1,002	200	23%	0
Wells Fargo Bank	22.7%	15.5%	23,239	2,776	19%	1

Santa Clara County

	Shr Biz	Shr Deposits	Loans	Biz<$1M	%	Points
Bank of America	9.7%	20.5%	5,738	638	21%	0
Bank of the West	1.1%	3.5%	653	91	24%	0
Businesses in Low/Mod					**25%**	
California Bank & Trust	0.2%	1.0%	117	18	25%	1
Citibank	20.4%	5.7%	12,116	54	21%	1
Comerica Bank	0.8%	8.2%	487	33	24%	0
Fremont Bank	0.1%	0.1%	58	9	20%	1
Greater Bay Bank	0.6%	6.1%	354	20	26%	1
Hanmi Bank	0.1%	0.1%	30	4	17%	1
Pacific Capital Bank	0.2%	0.6%	108	11	28%	1
Union Bank of California	1.7%	3.1%	1,012	118	25%	1
US Bank	1.0%	0.7%	616	91	22%	1
Washington Mutual Bank	0.6%	10.2%	341	76	25%	1
Wells Fargo Bank	28.2%	18.5%	16,789	1,904	19%	1

Appendix C

Overall Grades

Final Grade Point Score

	Total	Avg	Grade
Citibank	7	1.2	B-
Wells Fargo Bank	6	1.0	C
Hanmi Bank	3	1.0	C
Rabobank	1	1.0	C
California Bank & Trust	5	0.8	C-
US Bank	4	0.7	C-
Union Bank of California	3	0.5	D
Greater Bay Bank	1	0.5	D
Pacific Capital Bank	1	0.5	D
Bank of the West	2	0.3	F
Comerica Bank	2	0.3	F
Washington Mutual Bank	2	0.3	F
City National Bank	1	0.3	F
Westamerica Bank	1	0.3	F
Bank of America	1	0.2	F