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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

March 2, 2023

Mr. Michael J. Hsu
Acting Comptroller
Office of the Comptroller of the Currency
400 7th Street SW
Washington, DC 20219

Dear Acting Comptroller Hsu:

I am concerned about bank branch closures in low- to moderate-income (LMI) communities in Ohio and across the country. A bank's presence in a community provides access to traditional financial services and supports economic development. Yet, we have seen an alarming trend of bank branches closing in already underserved communities.¹

Banks serve a unique role in the functioning of our financial system and economy. That is why they must serve the needs of all members of their community, and all communities across the country. This obligation is reflected in the requirement to hear from the public when a branch closes in an LMI community. Under 12 U.S.C. § 1831r-1, banks are subject to certain requirements, including providing notice to their banking regulators and customers.² If a community member submits a written request to the Office of the Comptroller of the Currency (OCC), the agency may hold a public meeting with community leaders to explore how a branch closure would negatively affect the community.³

In these cases, I urge the OCC to hold public meetings in response to community requests to evaluate the closure of a branch.⁴ I also expect the OCC and other banking regulators to ensure that banks are meeting all requirements before a branch is permitted to close.

¹ Committee for Better Banks, Mapping the Banking Divide: How Bank Branch Openings Close Financial Opportunities (Sept. 29, 2022), <https://storymaps.arcgis.com/stories/79517729f59c4db38dbc3e032e0d42e1>; Jaime Weisberg, Association for Neighborhood & Housing Development, How Branch Closures Impact Hard Hit Communities (May 6, 2021), <https://anhd.org/blog/how-branch-closures-impact-hard-hit-communities>.

² 12 U.S.C. § 1831r-1(a)-(b) (mandating that notice to banking regulators include "a detailed statement of the reasons for the decision to close the branch" and "statistical or other information in support of such reasons").

³ 12 U.S.C. § 1831r-1(d).

⁴ For example, community members in Toledo, Ohio recently petitioned the OCC to convene a public meeting regarding the proposed closure of a branch in a low- to moderate-income neighborhood. I support the OCC granting this request. See Eric Taunton, Fifth Third Branch Closure Concerns Community Members, Toledo Blade (Feb. 16,

Branch closures are also related to a broader trend of consolidation and concentration in the banking industry. Last year, I sent a letter to you and Federal Reserve Chair Jerome Powell that urged you to review and reconsider your approach to big bank mergers.⁵ I hope that we can see real changes to the bank merger process to ensure that all communities have access to banking services. I appreciate the steps you have taken to start the conversation through the recent Bank Merger Symposium, but the OCC and other banking regulators must take concrete actions to revise their bank merger policies.

I hope that your agency will work to prevent branch closures and encourage investment in LMI communities, and develop a new approach to bank merger reviews that supports access to traditional financial services and economic prosperity for all.

Thank you for your prompt attention to this matter.

Sincerely,



Sherrod Brown
Chairman

2023), <https://www.toledoblade.com/local/city/2023/02/16/fifth-third-bank-monroe-st-branch-closing-concerns-community/stories/20230215119>.

⁵ Letter from Sherrod Brown, Chairman, S. Comm. on Banking, Hous., & Urb. Affs., to Jerome Powell, Chair, Bd. of Gvs. of the Fed. Rsrv. Sys., & Michael J. Hsu, Acting Comptroller, OCC (Apr. 6, 2022), <https://www.banking.senate.gov/download/brown-letter-on-bank-mergers-4-6-22>.