



January 14, 2021

Bank OZK
17901 Chenal Parkway
Little Rock, Arkansas 72223

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Region – Memphis Area Office
6060 Primacy Parkway, Suite 300
Memphis, Tennessee 38119

RE: Comment on Bank OZK 's Community Reinvestment Act (CRA) Performance

I am submitting this letter to Bank OZK 's Community Reinvestment Act (CRA) public file for consideration on Bank OZK 's CRA Performance Evaluation. I have a couple concerns with Bank OZK small business lending in Dallas and would look forward to meeting with Bank OZK to learn more about the bank's goals and priorities, and to discuss community development needs and opportunities. In particular, I would like Bank OZK and other banks to focus on Southern Dallas as I believe the heightened poverty in my neighborhood has held back my community, and the city of Dallas as a whole, for too long.

Lending Concerns

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the small business lending of Bank OZK in Dallas. This is what NCRC found.¹

- According to the Home Mortgage Disclosure Act (HMDA) data from 2018 to 2019, Bank OZK made a total of 111 in Dallas County. This data demonstrated that in 2019, 76 (68%) of all home loans in Dallas went to minorities however only 11.71% (13) of Bank OZK's home loans were extended to Blacks (African Americans).
 - Dallas County, Texas's estimated population is 2,641,680. Of that approximately 606,168 are African Americans.
 - City of Dallas's estimated population is 1,343,573. Of that approximately 322,457 are African Americans.

¹ See lending mentioned CRA Report. https://www7.fdic.gov/CRAPES/2019/00110_190520.PDF

- Small Business Lending
 - NCRC compared Bank OZK small business lending to other non-credit card small business lenders in Dallas and found that Bank OZK trailed in lending to businesses with less than \$1 million in annual revenue.

Gaps in lending to people of color, borrowers with LMI, and small businesses are usually the result of a lack of products that meet particular credit needs, gaps in marketing, or a lack of partnerships. I believe that working with my organization can improve Bank OZK performance.

From Bank OZK's Performance Evaluation Report:

SERVICE TEST Bank OZK demonstrated a low satisfactory record in the State of Texas regarding the Service 178 - TEXAS Test.

Focus on Southern Dallas

The need in Southern Dallas is well documented. HUD has designated Southern Dallas as a racially or ethnically concentrated area of poverty (R/ECAP) since at least 1990, meaning that since 1990 the population of Southern Dallas has had a poverty rate of at least 40%. That poverty rate is more than double the 16.6% poverty rate for Dallas County as a whole.² The Urban Institute looked at economic trends, data on income segregation, housing affordability, job availability, and racial disparities in 274 large US cities from 1980 to 2013 and found that Dallas was the least economically and racially inclusive.³ Increased obstacles to economic opportunity in Southern Dallas has a negative impact on Dallas as a whole. Numerous studies show that high levels of inequality stunt economic growth as it prevents economies from performing to their full potential.⁴ Economies with less inequality not only maximize their productive potential, but also minimize the significant fiscal and social costs of inequality. Childhood poverty—one outcome of insufficiently inclusive growth—costs the U.S. economy an estimated \$500 billion a year, or four percent of GDP, due to lost productivity, higher crime and incarceration, and larger health expenditures. Cities end up bearing these costs, at the expense of other important investments in growth and opportunity.⁵ Heightened inequality also creates resentments and hostilities that damage social and political cohesion, which also negatively affects economic growth.

Researchers are also predicting that Southern Dallas will be particularly hard hit by COVID-19, both medically and economically, given the unfortunate correlation between poverty and unfavorable

² "Percent of Population Below the Poverty Level in Dallas County, TX." 2018 Poverty Rate for Dallas County TX. Federal Reserve Bank of St. Louis Economic Research. Available online at <https://fred.stlouisfed.org/series/S1701ACS048113>.

³ "Inclusive Recovery in US Cities." Urban Institute. April 2018. Available online at https://www.urban.org/sites/default/files/publication/97981/inclusive_recovery_in_us_cities.pdf.

⁴ "Introduction: Inequality of Economic Opportunity." Katharine Bradbury and Robert K. Triest. RSF: The Russell Sage Foundation Journal of the Social Sciences, Vol. 2, No. 2, Opportunity, Mobility, and Increased Inequality (May 2016), pp. 1-43. Available online at https://www.jstor.org/stable/10.7758/rsf.2016.2.2.01#metadata_info_tab_contents

⁵ "Opportunity for growth: How reducing barriers to economic inclusion can benefit workers, firms, and local economies." Brookings Institution. Joseph Parilla. September 28, 2017. Available online at <https://www.brookings.edu/research/opportunity-for-growth-how-reducing-barriers-to-economic-inclusion-can-benefit-workers-firms-and-local-economies/>.

health outcomes.⁶ I am very concerned about the impact COVID-19 will have on my community that was already facing increasing economic hardship, and I believe that without an intentional focus on Southern Dallas these unfortunate economic trends will continue. To make matters worse, many banks do not include Southern Dallas as part of their CRA assessment area. We were not happy to see that Bank OZK's Dallas assessment area does not include all of Dallas County. We would look forward to discussing opportunities for Bank OZK to be responsive to our community needs and position itself as a leader in addressing inequality in Dallas.

The following sections discuss demographic in the Southern Dallas assessment 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). **

Community Ask:

- Increase small business loans to minorities by 50%
- Increase small business loans in the Low-Income census tracts by 40%
- Increase mortgage lending to minorities by 50%
- Increase mortgage lending in Low-Income census tracts by 40%
- Advanced implementation of Section 1071 of the Dodd-Frank Act
- Immediate Implementation of Section 342 of the Dodd-Frank Act
- Develop a strategic plan with the input of the Community
 - <https://www.fdic.gov/regulations/community/community/apprlp.html>
- Create positions for CRA Community Development Commercial and Mortgage Loan Officers
- Launch Small Business Cohort Focuses on Small Minority Businesses located in/or Serving Low Income Areas of Southern Dallas
- Include Southern Dallas in your Reasonably Expected Market Area (REMA)
- Perform a credit needs assessment for Southern Dallas
- Make CRA Qualified Investments to minority lead organizations that focus on Southern Dallas
- Establish special purpose credit programs (SPCPs) to address lending disparities in Southern Dallas

⁶ "Mapping the Areas at Highest Risk of Severe COVID19 in Dallas, Austin and San Antonio." UTHealth School of Public Health Institute for Health Policy. April 2, 2020. Available online at https://sph.uth.edu/research/centers/ihp/COVID-19_Dallas_Austin_SA%20Final_4-3-20.docx.pdf.

- <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>

Conclusion

We appreciate this opportunity to comment on Bank OZK 's CRA performance and would look forward to discussing a plan for Southern Dallas and be a leader in addressing inequality in Dallas.

Sincerely,

James McGee

James McGee

President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation



Via Email & U.S. Mail

January 22, 2021

James McGee
President/Chair
Southern Dallas Progress Community Development Corporation
1402 Corinth St #147
Dallas, Texas 75215

Re: Comment on Bank OZK's Community Reinvestment Act ("CRA") Performance

Dear Mr. McGee:

This email comes to you in response to your comment letter dated January 14, 2021.

Local communities are the heart and soul of Bank OZK. They are where we work and live. We are proud to lend, serve and give back through our products, services, philanthropic resources, and employees' time and expertise to make our communities even stronger. We are also proud of the impact made through our CRA related efforts by offering a wide-range of products and services to meet the needs of low- and moderate-income ("LMI"), Small Business and minority segments throughout the Bank's Assessment Areas, which includes Dallas County in its entirety. During the time-period cited in the comment letter, the Bank has demonstrated the ability to serve the LMI and minority community in the Dallas MSA by meeting and/or exceeding regulatory performance expectations and measurements as well as its peers and competitors.

To that end, the Bank continues to make mortgage and small business loans, employ Community Development and Mortgage professionals and comply with applicable laws and regulations.

Bank OZK takes all comments seriously and encourages you to view the published CRA Performance Evaluation located on the FDIC's website at www.fdic.gov or on the Bank's website at https://www.ozk.com/static/cra-performance_evaluation-d657a48541a71340e2dd9519917e916d.pdf for details regarding the Bank's responsiveness to community needs commensurate with its size and complexity in a fair manner. In addition, the Bank's HMDA and CRA data is publicly available on the FFIEC's website at www.ffiec.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Angela M. Hudson", with a long, sweeping horizontal line extending to the right.

Angela M. Hudson
Director of Community Responsibility & CRA Officer

From: Morabito, Nate <NMorabito@wcnc.com>
Sent: Monday, January 4, 2021 1:57 PM
To: Angela Hudson <angela.hudson@ozk.com>
Subject: RE: Bank OZK's CRA Public File

NOTICE: External Email - Sender is NMorabito@wcnc.com

Angela,

Happy New Year!

I hope you had a great holiday! I wanted to follow-up with some additional requests.

I've completed my initial analysis of HMDA lending data for your institution, specifically related to race in the Charlotte MSA, which show in 2018 and 2019 Black applicants were disproportionately denied loans and were underrepresented in the total number of loans for the MSA.

I've attached the HMDA data, which I've analyzed, so you can see specifically what I've concluded. I'm eager for you all to provide any additional context you think would be helpful in my understanding of this issue, the past and what the institution is doing moving forward to ensure equity.

In addition, can you please provide me with your HMDA 2020 data broken down by race?

My deadline is Friday, January 15 by close of business.

Please reach out with any questions.

Thank You,
Nate
(980) 308-7116



January 8, 2021

Attn: Nate Morabito
NMorabito@wcnc.com

Dear Mr. Morabito:

Thank you for contacting Bank OZK ("Bank") regarding our Home Mortgage Disclosure Act ("HMDA") data related to 2018 and 2019 as well as a request for 2020 data. I am responding to your follow-up inquiry emailed to Angela Hudson on January 4, 2021.

The Bank performs regular and ongoing analysis of our HMDA data, which includes monitoring our demographic performance in meeting the needs of the communities we serve. The Bank strives to meet the requirements of fair lending laws and regulations, as well as the spirit of those laws.

In your inquiry, you requested clarification related to the Bank's home loan lending in the Charlotte Metropolitan Statistical Area ("MSA"). Your observation was that, based on the Bank's 2018 and 2019 HMDA information, Black applicants were disproportionately denied loans and were underrepresented in the total number of loans for the MSA.

Please note that the Bank refiled its 2019 HMDA Loan Application Register ("LAR") due to self-identified errors in September 2020. The Consumer Financial Protection Bureau has not updated the public data file on their HMDA Data Browser website with the Bank's refiled 2019 data. The site uses a static dataset that was frozen on April 27, 2020; before our resubmission. The refiled 2019 Modified HMDA LAR can be obtained at the following link: <https://ffiec.cfpb.gov/data-publication/modified-lar/2019>. Note that you should select the appropriate year (2019) and enter "Bank OZK" within the Institution Name field.

In the review of the Bank's data, we determined that the Bank's 2018 and (refiled) 2019 HMDA data reflect no statistically significant disparities between Combined Black African/American approval and denial rates and Combined White approval and denial rates, in the Charlotte MSA.

As noted above, the Bank monitors and evaluates lending performance throughout our market areas. The Bank recognizes the importance of meeting the needs in the community we serve commensurate with the spirit of Fair Lending regulations. During 2020, the Bank developed and implemented a Special Purpose Credit Program. This program offers a fixed rate loan, with a higher loan-to-value and eased credit qualifying than our standard lending practices, with a goal to increase lending to minorities in qualified majority-minority census tracts, including the Charlotte MSA.

Bank OZK partners with and supports organizations serving minorities in the Charlotte MSA including Women's Business Center of Charlotte/The Institute Economic Development, Carolina Small Business Development Fund, Prosperity Unlimited, and Prospera, among others. The Bank also provides significant monetary investments and employee service hours in the Charlotte MSA. The communities

in which we operate are the heart and soul of Bank OZK, and we are proud to give back through our core business, philanthropic resources, and employee time and expertise to make our communities even stronger.

In accordance with Federal requirements, the Bank will file its 2020 HMDA LAR on or before March 1, 2021. The data will not be final until filed and is not available to the public until after it's filed.

Please let me know if we can provide any additional information to you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Susan Blair", with a long horizontal flourish extending to the right.

Susan Blair
Executive Vice President/ Director of Corporate Communication
Bank OZK



9802-12 Baymeadows Road, #196 | Jacksonville, FL 32256 | O (904) 683-6533 | F (904) 425-6010

EMAIL mail@natmc.org | WEBSITE www.natmc.org

December 17, 2021

BY ELECTRONIC MAIL: George.Gleason@ozk.com

Mr. George G. Gleason
Chairman, President & Chief Executive Officer
Bank OZK
17901 Chenal Parkway
Little Rock, Arkansas 72223

Re: Request for Restoration of Essential Banking Services to Independent ATM Operators

Dear Mr. Gleason:

I am writing in my capacity as Executive Director of The National ATM Council, Inc. (NAC), to request your immediate assistance in an urgent matter resulting from what we hope will turn out to be an unintentional and reversible "timing" issue, but that nonetheless constitutes a categorical, unwarranted, and impolitic denial of essential commercial banking services by Bank OZK to a number of NAC's Independent ATM Operator members.

NAC is the nationwide trade association representing individuals and businesses in the independent ATM industry, which is responsible for nearly sixty percent (60%) of the ATMs in service in the United States, as is shown by a published independent study that we are glad to provide to you upon request. (The study also shows how these independent, bank-sponsored, ATMs are the ones serving the lower socioeconomic communities and citizens across America, to a statistically significant degree.)

Ever since federal authorities launched Operation Choke Point, in 2013, independent ATM owners and operators have experienced increasing difficulties in getting and keeping deposit accounts at insured financial institutions, as a result of the mistaken belief that, because independent ATM businesses necessarily handle large volumes of currency, any bank that deals with them is putting itself at risk of being involved in money-laundering, terrorist financing, or other illegal activities.

In recent years, increasing numbers of financial institutions have, accordingly, terminated the deposit accounts of independent ATM businesses, often without giving any reason other than that their account agreements authorize the institution to close the account at any time, with or without cause. More and more banks also have refused to open new accounts for anyone in the independent ATM industry. These actions have been nothing less than devastating for the affected businesses, because having reliable access to depository banking services is essential for an ATM owner/operator to operate its business.

Such actions also harm those neighborhoods and communities where there are significant numbers of unbanked and underbanked residents, and few or no convenient OZK or other bank branches or ATMs. These independent ATMs provide a cash-access safety net for these

communities that would be greatly impaired if Bank OZK should adhere to its apparently new policy to "de-risk" ATM company accounts.

Many in the ATM industry believed – and continue to believe – that the misunderstandings leading to this severe misjudgment of the risk of banking businesses in our industry were and are a result, in large part, of the misleading and inaccurate characterizations of this industry sector and its operations that, until revisions released this month, were contained in the applicable section of the Federal Financial Institutions Examination Council's BSA/AML Examination Manual.

Over approximately the past six or so years, NAC and many of its members, and its counsel, have had numerous meetings with officials and staff of the FDIC, the Office of the Comptroller of the Currency, the Financial Crimes Enforcement Network, the Consumer Financial Protection Bureau, the FFIEC, and other federal regulatory officials, to seek relief from this seemingly systematic and plainly unwarranted denial of essential retail banking services to the independent ATM industry.

At least partly as a result of these meetings, the FFIEC, just two weeks ago, on December 1st, released a revised and updated version of the section of its examination manual pertaining to examination of banks serving customers in the independent ATM industry. Copies of that revised and updated section, and of the FFIEC's announcement of its release, are enclosed for your information and review.

Against this backdrop, the specific actions by Bank OZK that prompted this letter were taken last week by various offices in at least Texas and Georgia (we are concerned that this new policy is, or will be, in effect throughout the bank). Three members of the NAC Board of Directors all received telephone notices last week that their accounts with the bank are being closed later this month.

I understand, however, from all three of these bank customers that they never received the earlier letters that they have been told by the bank were sent to them, and, just late last week, learned through telephone calls from the bank that their accounts are being closed. Moreover, they've had their accounts with the bank for as much as ten (10) years, and none of them are aware of any issues, difficulties, or irregularities whatsoever that have ever been experienced with their respective accounts. I am further advised that the closure of just these three companies' bank accounts stands to adversely impact thousands of ATM terminals in the affected states served.

It appears clear to us that, under the revised section of the examination manual (as well as according to other supervisory materials), every bank is expected to evaluate its customer relationships by a process of risk-based analysis, which, as is stated in the FDIC's Financial Institution Letter 5-2015, means "to take a risk-based approach in assessing individual customer relationships rather than declining to provide banking services to entire categories of customers, without regard to the risks presented by an individual customer or the financial institution's ability to manage the risk."

The bank customers involved in this matter are aware of no indication that the termination of their accounts is based upon or has involved any such analysis. These customers all are veteran

ATM operators, one of them a former Marine, with spotless records and no indicia that they, or their businesses, present undue risk.

They are good, solid accounts for the bank, and there is no valid basis for kicking them to the curb this way. Rather, Bank OZK's action appears to be yet another instance of a bank that, without having undertaken appropriate analysis or due diligence, has simply determined that it no longer wants to deal with customers in the independent ATM industry and therefore is closing the accounts of its customers in the industry.

If these customers of Bank OZK are unable to open accounts at other financial institutions – which unfortunately cannot be dismissed as unlikely – their businesses will be forced to cease operations, causing inconvenience and hardship to their customers, who rely on ATMs for ready access to cash. Even if they are able to find alternative banks, the financial impacts and disruptions to these firms in having to change accounts, given the nature of the ATM business, would be significant and costly to their operations.

As has been mentioned, another highly troubling aspect of this situation is that all three of these Bank OZK customers first learned only last week, in telephone conversations with bank personnel, that their accounts are being closed – even though the closures are to occur right between Christmas and New Year's. They were told in those conversations that the bank had sent letters to them in October, informing them of the account closures, yet not one of them, to this date, has yet to receive any such letter. The idea that these ATM Operators would have received such letters and not acted on them immediately is not credible, given the vital importance of these accounts to their businesses, the great difficulty frequently encountered in obtaining replacement accounts, and the need for reasonable lead time to implement such account changes, dictated by the technical nature of the ATM business.

Similarly, for a financial institution to provide notice of the closure of such essential commercial accounts as these, via regular US mail rather than registered or certified – and not using overnight mail with receipt signature required, to ensure actual receipt and provide a record of the actual mailing and receipt, is quite disturbing and surprising, to say the least.

And yet, when these customers have called and spoken with branch personnel about this, they all have been told that the cutoff date is carved in stone and will not be changed. Under all these circumstances, the bank's position is both highly inappropriate and highly inequitable, with which I would hope and trust you will concur and seek to redress.

I'm confident you can appreciate that learning of such account closures, and having to deal with the consequences, right at the onset of the holiday season, when ATM usage typically increases dramatically and things are already very busy, and many bank personnel are out on holiday, is extremely distressing to these bank customers, and is likely to prove equally or more distressing to the many thousands of customers who rely on their ATMs for essential cash access. Many of these terminals and the customers they serve are located in communities throughout your service area where there are no OZK or other bank branches or ATMs. These Independent ATMs therefore serve as an essential safety net to the residents in these areas who need access to daily cash/financial services.

Impairing and impeding cash access in this way is contrary to the obligation of every bank to serve the communities in which its offices are located, and it is contrary to the bank's obligations under the Community Reinvestment Act.

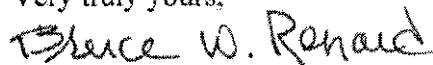
There is no question that the Bank OZK customers in the independent ATM industry who presently are threatened with closure of their deposit accounts provide valuable services to the residents of the communities in which the bank maintains offices, nor is there any question that, if those accounts in fact are closed, that action will result in lasting harm and detriment to those residents and to their communities.

We therefore appeal to your office and respectfully ask that you promptly intercede and suspend these account closures pending further review, particularly in light of the trouble-free history of the accounts and, most importantly, this month's new FFIEC revisions to the relevant portion of its exam manual. Such suspension would allow you time to reconsider whether, under all the relevant circumstances and recent developments, the bank's action reasonably can be considered appropriate, justifiable, and lawful.

Should you need any further information that would be helpful to assist in your consideration of this matter, please let me know as soon as possible and we will be glad to assist.

Thank you in advance for your prompt attention and assistance. We will appreciate receiving your response to this correspondence at the earliest possible time.

Very truly yours,



Bruce W. Renard, Executive Director

cc: Ms. Carmen McClennon, Chief Retail Banking Officer
Ms. Helen W. Brown, General Counsel & Corporate Secretary [helen.brown@ozk.com]
Ms. Lisa Harrison, AVP Banking Center Manager [lisa.harrison@ozk.com]

Attachments: 11-11-2021 Congressional Correspondence to Federal Bank Regulators
01-04-2020 Consumer Action Comments/OCC Fair Banking Access Rulemaking

Angela Hudson

From: bruce natmc.org <bruce@natmc.org>
Sent: Wednesday, December 22, 2021 6:42 AM
To: George Gleason
Cc: Carmen McClennon; Helen Brown; Lisa Harrison; srr natmc.org; lauren natmc.org
Subject: FW: BOZK Closure Letter
Attachments: BOZK Closure Letter Envelope.pdf; BOZK Closure Letter (2982).pdf
Importance: High

NOTICE: External Email - Sender is bruce@natmc.org. Please MOUSE-HOVER all links and DO NOT open attachments unless verified by the sender that they are legitimate.

CONFIDENTIAL COMMUNICATION

Dear Chairman Gleason:

I am writing to you and your colleagues again today, having yet to receive any response to my earlier letter, sent last Friday, given the nature and time sensitivity of the matter at hand.

Although I understand that this is the week before Christmas, first, because Bank OZK has informed three of our NAC Board members that their commercial deposit accounts are to be shut off on dates falling between Christmas and New Year's, and, second, in light of the bank's failure to provide actual notice to any of these customers until the first or second week of December, it is urgent that we receive a prompt response from the bank.

As further substantiation of the facts and circumstances as our members are aware of them, I am forwarding the attached copy of what is, thus far, the only letter received from the bank, by the bank customer to whom it is addressed, giving notice of the account closure, which letter was just received late last week following a phone notification provided Tuesday of last week. Also attached is a copy of the envelope in which the written notice arrived. As you can see, while the letter is dated 10-29-21, the envelope is postmarked December 15th, shortly before the notice letter actually was received. While local bank personnel have claimed that an earlier letter was sent and call made to the customer, this ATM operator, a former US Marine, would be glad to provide written certification and attestation under oath that no such earlier letter/call was ever received. The other two NAC Board Members who being placed in the same jeopardy would gladly do the same.

We continue to believe strongly that these accounts should be restored to their full and active status, since, as stated in my previous letter, we are unaware of any indication that the account referenced in the attached letter—or any of the other accounts slated for closure—present any actual undue risk to the bank, or has ever been involved in any improper acts or transactions. Moreover, as previously noted, these depository accounts are absolutely essential to those independent ATM companies who in turn are providing essential and convenient access to cash in Bank OZK communities that would otherwise lack such access. The availability and price point of this access will surely and needlessly suffer from this denial of banking services to independent ATM providers, as will our most vulnerable citizens who rely upon these ATMs daily for cash access.

At the very minimum, therefore, we believe it only fair and equitable that these account closures be suspended, in order to enable the bank to revisit the subject actions, given, first, the latest FFIEC release in regard to banks' relationships with their customers in the independent ATM industry, and, second, the understandably reasonable need of the affected bank customers, should the bank fail to modify its position, to be afforded adequate advance time for them to

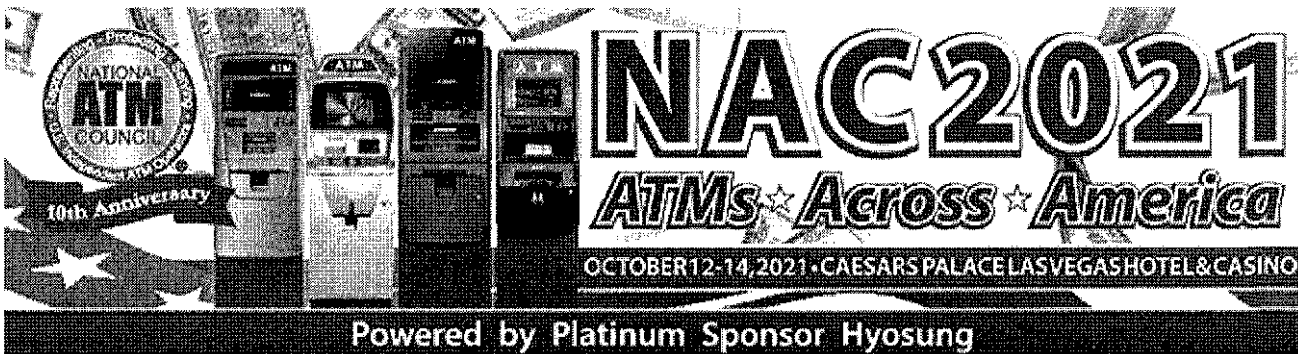
move these accounts in an orderly fashion, without needless interruption or disruption of their businesses, to another institution, if that's even possible.

Thank you once again in advance for your kind consideration, and we will continue to await your reply.

Sincerely yours,

Bruce W. Renard

Bruce Wayne Renard, Executive Director
The National ATM Council, Inc.
9802-12 Baymeadows Road # 196
Jacksonville, FL 32256
Office: (904) 683-6533
Direct/Mobile: (904) 710-3522
Fax: (904) 425-60
bruce@natmc.org



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Customer Assistance Form

FDIC 3064-0134 Expiration Date: XX/XX/XXXX

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Collection of this information is authorized by 12 U.S.C. §§ 1818 and 1819 and 15 U.S.C. § 57a(f). The information you provide to the FDIC on this form will be used to investigate and respond to your complaint or inquiry. The information you provide may be disclosed to the institution which is the subject of the complaint or inquiry and to any third party sources, when necessary to investigate or resolve the complaint or inquiry; to the Federal or State supervisory authority that has direct supervision over the financial institution that is the subject of the complaint or inquiry; to appropriate Federal, state or local authorities agencies if a violation or possible violation of a civil or criminal law is apparent; to a congressional office in response to an inquiry made at your request; to a court, magistrate or administrative tribunal in the event of litigation, or in accordance with the other "routine uses of records" listed in the FDIC's Consumer Complaint and Inquiry System of Records, # 30-64-0005. Completing this form is voluntary, but failure to provide all of the information may delay or preclude investigation of your complaint or inquiry.

Last Updated 09/23/2015

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Last Updated 09/23/2015

Please complete this form if you have an inquiry or a complaint regarding your financial institution. Once the form has been submitted you will receive the Customer Assistance Confirmation page indicating that your request has been received.

Please note:

- We cannot act as a court of law or as a lawyer on your behalf.
- We cannot give you legal or financial advice.
- We cannot become actively involved in complaints that are in litigation or have been litigated.

* Required Fields

Indicate whether you are a: Consumer

Requester Information:

Salutation Mr.

*Last Name Washington

*First Name Arlo

Middle Name Darnell

*Email arlo@providingequalopportunities.org

Home Phone (501) 590-1700 Business Phone 5014044857 Mobile Phone 5015901700

*Mailing Street 5300 West 65th Street

*Mailing City Little Rock

*Mailing State/Province AR

*Mailing Zip/Postal
Code 72209

*Mailing Country United States

Best Way to Contact

Email

Best Time to Contact

Morning

Is this request submitted on behalf of you and another individual? No

*Last Name

*First Name

Email

Home Phone

Business Phone

Mobile Phone

*Mailing Street

*Mailing City

*Mailing State/Province

*Mailing Zip/Postal
Code

*Mailing Country

Additional Contact Information:

Do you want us to communicate with another individual on your behalf, such as a family member, attorney, or other person representing you about this complaint? No

If you list someone you authorize us to communicate with the listed individual and provide information to that individual as well.

*Representative Last
Name

First Name

Relationship

Email

Home Phone

Business Phone

Mobile Phone

*Mailing Street

*Mailing City

*Mailing State/Province

*Mailing Zip/Postal
Code

*Mailing Country

Does your request involve a specific financial institution? Yes

*Financial Institution Bank OZK

Mailing Street 18000 Cantrell Rd,

*Mailing City LITTLE ROCK

*Mailing State/Province AR

*Mailing Zip/Postal
Code 72223

*Mailing Country United States

Institution Phone

Number

FI: Type of accounts

Have you tried to resolve your complaint with your financial institution or company? Yes

*When? 06/29/2022

*Resolve: How In Person

Resolve: Contact

Community

Have you filed a complaint or contacted another government agency?

No

*Gov Agency:
Agency Name**Complaint Information:**

Describe events in the order in which they occurred, including any names, phone numbers, and a full description of the problem with the amount(s) and date(s) of any transaction(s). Do not include personal or confidential information such as your social security, credit card, or bank account numbers. If you need to provide **COPIES** of any supporting documentation such as contracts, monthly statements, receipts or any correspondence with the bank (do not send original documents), you may mail or fax this information to:

***Please describe below the nature of your complaint or inquiry.**

On June 29, 2022, I entered Bank Ozk and requested to speak with the Community Development Manager to discuss strategies for the bank's affirmative obligation to the Community Reinvestment Act, after several emails went without response. I approached the guard desk and after making a phone call the security guard at the front desk stated that both Angela Hudson and Lasha Marshall were not in today. After asking for the Public File to submit a comment, they both came down to talk with me. I was met with hostility immediately. After I explained that I had sent several emails that went without a response I was told that I was being hostile and that they had only received 1 email the night prior. I was very polite and nonconfrontational. I was then asked by Angela Hudson to place my public comment in her hand and denied access to a hard copy of the file that I could place my public comment in. The comment below is found on Bank Ozk's website regarding the Public File: "Bank OZK is able to provide hard copies of these documents; however, please note we may charge a reasonable fee to cover copying and mailing expenses. Please contact CRA Public File Management at the address listed below." <https://www.ozk.com/community/> When I declined to give her my public comment in hand, they both walked away and instructed security to escort me off of the premises. Security was informed that my comment would need to be submitted online at Bank Ozk's website, and was very disrespectful calling my out of my name and told me I was trespassing, that he would contact the police and that I was not welcome there. However, on the door of the building there is a message that says "Open to the Public from 8 AM - 5 PM". I left respectfully and searched Bank Ozk's website to submit my comment and there is no where to upload or leave a comment as Angela Hudson stated. Here is the only information provided on Bank Ozk's Public File Page: "Bank OZK is able to provide hard copies of these documents; however, please note we may charge a reasonable fee to cover copying and mailing expenses. Please contact CRA Public File Management at the address listed below." Any comments or questions about this portion of the website or about Bank OZK's CRA performance may be addressed to: CRA Public File Management CRA Department Bank OZK 18000 Cantrell Road Little Rock, AR 72223 angela.hudson@ozk.com I was denied a hard copy of the public which is stated to be provided on Bank Ozk's website. Not only that, the information listed goes directly to Angela Hudson, Director of Community Responsibility who denied me access to a hard copy of the public file in person and is nonresponsive to my attempts to communicate. Please be advised Angela Hudson is assisting Bank Ozk in breaking CRA law in Arkansas. The Community Development Lending test is Low Satisfactory as well as the Community Development Service Test as found in their 2019 Public Evaluation.

Please be advised that the issues described in this complaint will be shared with the financial institution or company in question for their response.

***Desired Resolution**

What action by the financial institution or company would resolve this matter to your satisfaction?

My desired resolution is to speak with Bank Ozk's primary regulator regarding my public comment. I would like to speak with someone within Bank Ozk regarding the bank's CRA performance other than Angela Hudson or Lasha Marshall due to previous failed attempts. I feel as though my public comment

will be swept under the rug if it goes to Angela Hudson or Lasha Marshall. It is very important that the primary regulator is aware of this banks BLATANT noncompliance with CRA law in low and moderate income communities in Pulaski County.

☒ ***Checking this box authorizes the FDIC to respond to your inquiry**

FDIC 6422/04 (9-12)

Page Updated 12/11/2018



July 7, 2022

Arlo Darnell Washington
5300 West 65th Street
Little Rock, AR 72209

Dear Mr. Washington,

Bank OZK ("Bank") received your complaint submitted to the Federal Deposit Insurance Corporation ("FDIC"). We appreciate the opportunity to reply.

In your comments to the FDIC, received by the Bank on June 30, 2022, you stated that you were denied access to a hard copy of the Bank's CRA Public File ("File"). Pursuant to 12 CFR § 228.43 – content and availability of public file, a bank must make available to the public for inspection a copy of the CRA Public File within five (5) calendar days of the request. Your verbal request for a hard copy of the Bank's File was received on June 29, 2022. Our records indicate that a hard copy of the File was shipped to the address noted above via FedEx Priority Overnight Delivery on 06/30/2022 and it was accepted by J. Robertson on 07/01/2022 at 10:39 am.

You also noted in your comments to the FDIC that you were denied access to a hard copy of the File so that you could include your public comment. Bank OZK has leveraged technology to publish its File for viewing at any time via its website. This option afforded and permissible by the joint agencies is as opposed to paper versions of the File. As a reminder, the Bank's CRA Public File is publicly available, accessible and can be viewed online at your convenience at the following link: www.ozk.com/community. Upon receipt of comments, the Bank will update its File according and pursuant to 12 CFR § 228.43 – content and availability of public file. In accordance with the same section, the Bank is responsible for publishing comments it receives from the public in the required timeframe.

Bank OZK takes all comments seriously and encourages you to view the published CRA Performance Evaluation located on the FDIC's website at www.fdic.gov for details regarding the Bank's responsiveness to the community needs commensurate with its size and complexity in a fair manner.

We are proud of the impact made through our CRA efforts by offering a wide range of products and services to meet the needs of low- and moderate-income individuals, families, and small businesses throughout the Bank OZK's footprint. In addition, we pride ourselves on being a leader in making community development loans in the state of Arkansas.

Sincerely,

A handwritten signature in blue ink, appearing to read "Angela M. Hudson".

Angela M. Hudson

Enclosure: FedEx Tracking Receipt



Improving Lives, One Community at a Time

December 23, 2022

Bank OZK
17901 Chenal Parkway
Little Rock, Arkansas 72223

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Region – Memphis Area Office
6060 Primacy Parkway, Suite 300
Memphis, Tennessee 38119

RE: Discrimination Compliant

Dear FDIC,

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

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.

Bank OZk is not meeting the needs the needs of our community, which specifically includes low- and moderate-income neighbor located in Southern Dallas and Fort Worth. Bank OZk *fails* to provide small business and/or consumer lending services in Southern Dallas and Fort Worth's majority African American 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

Fort Worth Zip Codes (LMI/High Minority Areas)

76107 (MSA-State-County-Tract: 23104-48-439-1025.00)

76103, 76105, 76112, 76119

Concerns:

- Bank Ozk does not have a branch located in a low-income census tract in the DFW MSA.
- Bank Ozk does not have a branch located in a high minority/high poverty¹ census tract in the DFW MSA.
- Bank Ozk does not originate any commercial loans in low-income census tracts in the DFW MSA.
- Bank Ozk does not originate any commercial loans in high minority/ high poverty² census tracts in the DFW MSA.
- Bank Ozk does not originate any small business loans to businesses with less than a million dollar in revenue that was in low-income census tracts in the DFW MSA.
- Bank Ozk does not originate small business loans to businesses with less than a million dollar in revenue that was in high minority/ high poverty census tracts in the DFW MSA.
- Bank Ozk does not offer any solutions for the 163,000 unbanked/underbanked residents in the DFW MSA

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.

Bank Ozk engages in unlawful discrimination by acting to meet the credit needs of majority-White neighborhoods in the Dallas-Fort Worth Metropolitan Statistical Area ("DFW MSA" or "MSA") while avoiding the credit needs of majority-minority neighborhoods.

In addition, Bank Ozk engages in lending discrimination by “redlining” predominantly African American and Hispanic neighborhoods in Southern Dallas & Fort Worth. “Redlining” is a term describing an illegal practice in which lenders intentionally avoid providing services to individuals living in predominantly minority neighborhoods because of the race of the residents in those neighborhoods.

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)

¹ High Minority/High Poverty=Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0

Fort Worth is a majority-minority city (60.6 percent of the population) with 36.1 percent of residents identifying as Hispanic and 17.7 percent identifying as Black.

Fort Worth is a city with a population of just under 1,000,000.

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

Bank Ozk 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 Bank Ozk does engage in the following:

- All Bank Ozk branches are located in white-majority neighborhoods, compared to having none in majority-minority neighborhoods³
- Made no efforts to market to African Americans and/or Hispanics in Southern Dallas & Fort Worth
- Does not specifically target any marketing toward Hispanic and/or African Americans in the DFW MSA and specifically Southern Dallas & Fort Worth
- Does not employ an African American and/or Hispanics commercial loan officers in the DFW MSA

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.

Fair Lending Concerns

I worked with the National Community Reinvestment Coalition (NCRC) to analyze the small business lending of Bank Ozk in the DFW MSA. This is what NCRC found.

- According to the Home Mortgage Disclosure Act (HMDA) data from 2018 to 2019, Bank OZK made a total of 111 in Dallas County. This data demonstrated that in 2019, 62.16% (69) of all home loans in Dallas went to minorities however only 11.71% (13) of Bank OZK's 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
- According to the Home Mortgage Disclosure Act (HMDA) data from 2019 to 2020, Bank Ozk Bank made a total of 330 in the DFW MSA. This data demonstrated that in 2020, 66.36% (219) of all home loans in Dallas went to minorities however only 17.27% (57) of Bank Ozk Bank's 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

³ DOJ Redlining Cases/ Few or no branches; <https://www.fhcci.org/wp-content/uploads/2013/08/Jonathan-Bont-Redlining.pdf>

- Small Business Lending
 - Received almost no applications from applicants for properties located in African American and Hispanic Low to Moderate Income neighborhoods in the DFW MSA
 - Bank Ozk does not originate any commercial loans in low-income census tracts in the DFW MSA.
 - Bank Ozk does not originate any commercial loans in high minority/ high poverty⁴ census tracts in the DFW MSA.
 - Bank Ozk does not originate any small business loans to businesses with less than a million dollar in revenue that was in low-income census tracts in the DFW MSA.
 - Bank Ozk does not originate small business loans to businesses with less than a million dollar in revenue that was in high minority/ high poverty census tracts in the DFW MSA.

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.

Bank Ozk does not 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.
- <https://www.aba.com/about-us/press-room/press-releases/aba-urges-americas-banks-to-offer-bank-on-certified-accounts>

Bank Ozk does not have any special-purpose credit programs to address their disparities in small business lending in underserved high minority communities in Southern Dallas & Fort Worth.

- <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>

Community Development Lending

Bank Ozk failed to provide the number of loans made in Low to Moderate Income census tracts versus Middle to Upper Income census tracts

Small Business/Commercial Lending

Bank Ozk failed to provide the number of loans made in Low to Moderate Income census tracts versus Middle to Upper Income census tracts.

Lack of Staff and Board Diversity

Bank Ozk does not have any African Americans and/or Hispanics on the Board of Directors.

Bank Ozk does not have any Commercial Loans Officers in the DFW MSA that are African Americans and/or Hispanics.

Bank Ozk does not have any Mortgage Loans Officers in the DFW MSA that are African Americans and/or Hispanics.

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

The DFW MSA is majority minority.

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

<https://regionalhca.org/>

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

<https://blackcontractors.org/>

<https://aacatx.com/>

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

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

<http://nahrepdallas.org/>

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

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

<https://wcdallas.com/>

<https://realestatealliance.org/>

<https://www.areaa.org/dfw>

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

<https://dallasblackchamber.org/>

<https://arlingtonblackchamber.org/>

<https://fwmbcc.org/>

<https://fwhcc.org/>

<https://www.gdhcc.com/>

Discrimination Cases/DOJ Redlining Cases

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 and Consumer Financial Protection Bureau Secure Agreement with Trident Mortgage Company to Resolve Lending Discrimination Claims

<https://www.justice.gov/opa/pr/justice-department-and-consumer-financial-protection-bureau-secure-agreement-trident-mortgage>

DOJ, CFPB and OCC Announce Resolution of Lending Discrimination Claims Against Trustmark National Bank

<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>

CFPB Files First Ever Redlining Complaint Against a Non-Bank Mortgage Lender

<https://www.consumerfinance.com/2020/07/20/cfpb-files-first-ever-redlining-complaint-against-a-non-bank-mortgage-lender/>

Regulation B prohibits discouragement of “applicants or prospective applicants”. Specifically, it states: “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.” The Official Interpretations of Regulation B also explain that this prohibition “covers acts or practices directed at prospective applicants that could discourage a reasonable person, on a prohibited basis, from applying for credit.”

https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-24_2021-06.pdf

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.

Sincerely,

James McGee

James McGee
President/Chair

JMcGee@SouthernDallasProgress.com

Southern Dallas Progress Community Development Corporation



January 13, 2023

Via U.S. Mail and Electronic Mail Delivery

James McGee
President/Chair
Southern Dallas Progress Community Development Corporation
1402 Corinth St #147
Dallas, Texas 75215
jmcgee@southerndallasprogress.com

Dear Mr. McGee,

This letter comes to you in follow up to your comment letter dated December 23, 2022. We appreciate the opportunity to reply.

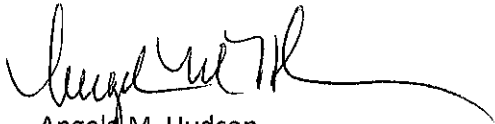
Local communities are the heart and soul of Bank OZK as they are where we work and live. We are proud to have a presence, lend, serve, and give back through our products, services, philanthropic resources, and employees' time and expertise to make our communities even stronger. We are also proud of the impact made through our outreach and marketing related efforts to offer and deliver a wide-range of products and services to meet the needs of low- and moderate-income ("LMI"), Small Business and Minority segments throughout the Bank's Assessment Areas, which includes various counties within the Dallas and Fort Worth MSAs. We have partnered with and financially supported a number of organizations (including Southern Dallas Progress CDC), and have provided a number of different investment opportunities within the market to aid us in reaching underserved communities and populations. Bank OZK is committed to serving the credit needs of our communities, and we look forward to continuing to build our outreach and relationships with equally committed partners.

We recognize that fostering diversity and inclusion throughout our operations and workplace culture is critical to our long-term success and the Bank strives to create a culture that respects and values each other's differences, promotes dignity and respect, and encourages employees to develop and maximize their full potential. The Bank publicly discloses the demographics of its workforce by gender, age, race, and ethnicity in the Bank's annual Environmental, Social & Governance Report, which is available on the Bank's investor relations website at ir.ozk.com under "ESG." In addition, the Bank publicly discloses the diverse characteristics of each member of its Board of Directors in its annual proxy statement, which is available on the Bank's investor relations website at ir.ozk.com under "Filings."

Per your request, a hard copy of the Bank's CRA Public File was shipped to you at the above address, however, was returned after several attempts to delivery were made by the courier. As a reminder, the Bank's CRA Public File is publicly available, accessible and can be viewed online at your convenience at the following link: www.ozk.com/community. Upon receipt of comments, the Bank will update its File according and pursuant to 12 CFR § 228.43 – content and availability of public file. In accordance with the same section, the Bank is responsible for publishing comments it receives from the public in the required timeframe.

Bank OZK takes all comments seriously and encourages you to view the published CRA Performance Evaluation located on the FDIC's website at www.fdic.gov for details regarding the Bank's responsiveness to the community needs commensurate with its size and complexity in a fair manner.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angela M. Hudson', with a long horizontal flourish extending to the right.

Angela M. Hudson
Director of Community Responsibility & CRA Officer

cc: Rafael Valle, FDIC Assistant Regional Director