

EQUAL CREDIT OPPORTUNITY - COMMUNITY REINVESTMENT - 2004

WHEREAS our corporation has a significant mortgage lending operation, with originations of home purchase mortgages in 2002 representing \$__ billion;

WHEREAS our company's performances on housing lending to low-income borrowers, especially minority low-moderate income borrowers were generally below the industry level:

The analysis of the 2002 Home Mortgage Disclosure Act (HMDA) data by CANICCOR* for all corporate subsidiaries shows that lending to Black and/or Hispanic borrowers of low-moderate income was/were __% and/or __% below the industry levels (respectively). Low-moderate income is defined as 80% or less of the median family income of the area, as estimated annually by the Department of Housing and Urban Development.

WHEREAS the Equal Credit Opportunity Act (ECOA) prohibits lenders from discriminating in any aspect of a credit transaction with regard to protected classifications such as race, national origin, sex.

The Community Reinvestment Act (CRA) requires reinvestment in the community in which the depository subsidiaries operate; a lender can be in violation of the ECOA when it applies a policy or practice equally to credit applicants, but the policy or practice has a disproportionately adverse impact on applicants from a protected group. Such a policy or practice is known as "disparate impact" and can only be justified on grounds of business necessity.

WHEREAS, we believe our corporation has a duty and a business opportunity to adopt a coherent corporate-wide program across its depository and financial subsidiaries to raise its performance in lending to minority borrowers, low-moderate income borrowers and low-moderate income areas to help ensure its compliance with the Equal Credit Opportunity Act and the Community Reinvestment Act.

WHEREAS, it is to our corporation's financial advantage to increase minority borrowing, the lower average age of minority households, especially Hispanic households, will provide a major segment of the purchase mortgage market as the baby boomers age, and our corporation should be prepared to be a major player in this new market.

BE IT RESOLVED that the shareholders request the Board of Directors to develop an overall fair lending - community reinvestment policy for all depository and financial subsidiaries of the corporation with a general program goal for housing loans of achieving at least the industry level of lending in each major market area to each major disadvantaged group and to report annually to shareholders on its achievements.

* CANICCOR is an organization dedicated to providing evaluations of the social responsibility of financial institutions for institutional investors. CANICCOR provides analysis of HMDA and CRA data to major institutional investors with social criteria and/or screened funds.