

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

May 16, 2023

Frank J. Holding, Jr.
Chairman and CEO
First Citizens Bank
4300 Six Forks Rd
Raleigh, NC, 27609

Dear Chair Holding:

Following my March 18, 2023 letter¹ to Federal Deposit Insurance Corporation (FDIC) Chairman Gruenberg, as well as First Citizens Bank's subsequent acquisition of Silicon Valley Bank (SVB) on March 26, 2023, I write to urge you to honor the commitments made to communities across California, including many communities of color and low-income communities in my district, as outlined in an \$11.2 billion five-year Community Benefits Plan that SVB began implementing in 2022.² These investments are urgently needed in California, where there is a shortage of nearly 1 million affordable rental homes,³ more than half of renters are housing cost-burdened,⁴ and the price of a median home is more than double the national median as over 171,000 Californians experience homelessness.⁵ California is also home to more than 4.1 million small businesses,⁶ many of which are owned by women and people of color, who are not only still struggling to recover from the impacts of the COVID-19 pandemic,⁷ but in the wake of recent bank closures, are also finding it challenging to obtain loans needed to expand and keep their businesses afloat.⁸

SVB's \$11.2 billion Community Benefits Plan included a \$9 billion commitment for California communities. At least one quarter of these investments were intended to benefit communities throughout greater Los Angeles.⁹ This commitment included \$4 billion for small business loans; \$4 billion for CRA community development loans and investments; and \$1.1 billion for equitable affordable housing initiatives such as mortgages for low- to moderate-income (LMI) borrowers, housing counseling, and homeless services and prevention. As of December 2022, SVB had already deployed \$643 million in community development investments and loans, including \$159 million for affordable housing development in Los Angeles, increased lending to small businesses, and provided homeownership subsidies to LMI borrowers, as well for those in communities of color.

When First Citizens Bank acquired SVB in March, it inherited SVB's obligations to the people of California. The loss of the commitments made in the Community Benefits Plan would represent a missed opportunity for community reinvestment, housing, and wealth-building opportunities in my district and across the state, especially for those who remain historically underserved by the U.S. banking system. Again, I urge you

¹ House Financial Services Committee, [Ranking Member Waters Urges FDIC to Ensure California Communities Remain Supported Through Silicon Valley Bank's Housing, Community Reinvestment Plan](#) (Mar. 18, 2023).

² Silicon Valley Bank, [Community Benefits Plan](#) (Apr. 7, 2021).

³ National Low Income Housing Coalition, *The GAP* (Mar. 2023).

⁴ California Budget & Policy Center, *California's 17 Million Renters Face Housing Instability and Inequity Before and After COVID-19* (Jan. 2021).

⁵ California Association of Realtors, *2022 Housing Affordability by Ethnicity* (Apr. 5, 2023).

⁶ California Broker, [Small Businesses Account for 48.5% of California's Workforce](#) (Nov. 1, 2022)

⁷ California Chamber of Commerce, [California Celebrates Small Business Week](#) (May 2022).

⁸ Small Business Majority, [Small Businesses Share Concerns with Recent Banking Closures, Access to Capital Challenges](#) (May 3, 2023).

⁹ Silicon Valley Bank, [Community Benefits Plan](#) (Apr. 7, 2021).

honor the commitments made in the Community Benefits Plan and look forward to hearing from you soon regarding this important issue.

Sincerely,

A handwritten signature in blue ink that reads "Maxine Waters". The signature is written in a cursive, flowing style with a large initial "M".

Maxine Waters
Ranking Member
Committee on Financial Services

CC: Patrick McHenry, Chair, House Financial Services Committee