ACORN

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have high-powered lawyers or anything like that, but if there's enough of us, they (city officials, bankers, etc.) have to listen to us."

He urges people to come to a neighborhood meeting and to bring friends.

In other cities, where ACORN has more established chapters, the group has pushed banks and thrifts into making dollar commitments for loans and grants in specific neighborhoods. Those agreements often include programs in which low-income families receive credit concessions or help on closing costs for home loans.

The organization typically succeeds in winning these commitments by challenging banks' lending records at critical times, such as when they have applications for mergers or new branches pending. Regulators can reject those types of applications if it is shown that the banks have neglected poor or minority neighborhoods.

ACORN also publicizes its criticism of specific banks, often picketing institutions that it says discriminate against poor and moderate-income people if they refuse to negotiate.

Until last fall, most agreements ACORN struck with lenders covered no more than one city. But when big bank holding companies such as NCNB Corp. and Chemical Banking Corp. started planning to take over other big holding companies, the organization got a chance to make agreements for numerous cities in two sets of negotiations.

NCNB came to the table with a promise to lend $10 billion in low-income areas over the next 10 years. ACORN negotiated specific loan programs that would be implemented in neighborhoods from Baltimore to El Paso. As a result of the negotiations, ACORN promised not to challenge NCNB's proposed merger with C&S Sovran Corp., which created NationsBank Corp.

ACORN also struck agreements with Chemical and Manufacturers Hanover Corp., which promised loans and grants totaling $750 million over five years if allowed to merge.

Both mergers have since been completed. Chemical is the parent company of Houston's Texas Commerce Bancshares.

ACORN would like to complete more big agreements like those, rather than fight each individual bank on a local level, said Bruce Dorpalen. Dorpalen leads ACORN's Philadelphia office, which other members say is the organization's most successful in getting loan agreements.

Dorpalen said the summit is a good way for ACORN to explain what it wants the banks to do. And yes, he added, the members would consider it an insult if bankers snubbed their invitations.

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Bankers who received the invitations and information packets last month say they're not sure what is supposed to happen at the summit. It lasts only this afternoon, which they consider much too short a time to knock out specific loan agreements, if that is what the group wants.

"I've learned not to expect," said James Feild community investment manager for NationsBank's Texas region. "I'm not sure anyone can guess how this will turn out."

Most of the banks operating in Texas that received the letters said last week they were sending someone. None, however, was sending chief executives or board chairmen.

NationsBank said early last week it would send one of Feild's peers to the summit. However, the bank had backed out by Friday, saying it didn't look like the focus of the meeting would help it meet community needs.

Texas Commerce Bank will be represented by someone from Chemical.

First Gibraltar Bank of Dallas had not planned on attending the summit. The invitation, which ACORN says was sent to the president of the thrift, apparently had been lost.

On Wednesday, a couple of days after a reporter called on the subject, the thrift made plans to send its specialist on affordable housing to the summit.

Jeff Balloutine, community reinvestment officer for United Savings Association of Texas, said he was planning to attend. He said he was curious about what might happen. BankAmerica Corp.'s Texas community reinvestment officer also was planning to attend.

First Interstate Bank of Texas received an invitation, but decided to send someone from its Arizona unit who had dealt with ACORN in the past.

Banc One Corp. said it was not sending a representative. Julie Johnson, community reinvestment officer for the Columbus, Ohio-based holding company, said ACORN and the bank were concerned with fair lending and improving poor neighborhoods. She said the bank could strike up relationships with ACORN at local levels.

"I don't need to go to New York for that to happen," she said.

Bank executives from two of the companies attending the summit say they were reluctant to send anyone. Today's agenda is so vague that they fear an ambush — that the group just wants bankers present to blast their lending records publicly once again.

Several bankers mentioned that they expect to get good marks from federal regulators for participating in the conference. Part of complying with the laws that require lenders to serve low-income neighborhoods is showing that the bank keeps abreast of concerns in those areas. Bankers often document their meetings with community groups so they can prove their attendance to regulators.

For ACORN, getting bankers from 40 institutions to attend its national summit shows how far it has come in bank negotiating since its first challenges more than a decade ago.

Mike Schey of Chicago, who led some of those early negotiations for ACORN, said bankers used to stonewall the rookies. Although the bankers would meet with members to discourage picketing, he doubts they would have attended an out-of-town summit.

ACORN now has a national team of seasoned negotiators to work on bank agreements. It includes LaVerne and George Butts, a Philadelphia couple who came to the organization nine years ago because they could not get a home loan. The Butts, who have six children and live on George's income as a manager for a picture framing company, volunteer their time.

LaVerne said it is her job during negotiations to shame the bankers. She shows them figures from regulators that prove their companies deny loans to members of minorities like herself much more often than to whites. She describes rundown neighborhoods where banks don't make loans. And she tells stories of individuals who have sought loans for homes and projects in these areas but were turned down.

George, she said, explains what kinds of programs could help solve those problems.

"I make them feel bad," she said. "He tells them how they can feel better."

LaVerne said their challenges to banks didn't always work. She recalls the first time she participated in negotiations with a banker. It was a Philadelphia bank seven years ago, and she said, "We got our butts kicked royally."

She said the banker pretended to negotiate a deal until the time ran out for the group to file a challenge to his application. Once the threat of a challenge was gone, LaVerne said, he told the ACORN team they were out of their heads if they thought he was going to sign any agreement.

About a year and a half ago, she said, the same banker was involved in a merger. ACORN threated to block the merger unless the bank agreed to participate in a home loan program for low-income families.

The banker signed the agreement.