

May 15, 2025

Paul Worthing
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street, Ecker Square, Suite 2300
San Francisco, CA 945105

Subject: AACSR's Letter of Support for Mechanics Bank's proposed Merger with HomeStreet Bank

Dear Director Worthing,

On behalf of the Advocacy Alliance for Corporate Social Responsibility (AACSR), a joint minority parties coalition uniting diverse, result-oriented, community organizations, we write to express our support for the proposed merger between Mechanics Bank and HomeStreet Bank.

AACSR is a coalition representing over one million underserved constituents across California—including African American, Hispanic, Asian, and other underserved communities. We advocate for equitable financial opportunity, inclusive economic growth, and corporate responsibility. We mobilize stakeholders to address corporate impacts on local economies and well-being, prioritizing community development, amplifying minority voices, and fostering financial equality for disadvantaged groups. Our members consist primarily of community-based organizations and small to mid-sized businesses serving low- to moderate-income (LMI) communities.

On April 10, 2025, our coalition representatives met with Mechanics Bank's leadership to discuss the merger and its anticipated community impact. We were encouraged by the bank's thoughtful approach, transparency, and long-standing commitment to community investment. Mechanics Bank has shown a strong understanding of LMI populations' unique needs and presented a credible plan to expand responsible banking services and community reinvestment after the merger, indicating their willingness to work with and for community-based organizations and small businesses.

We believe this merger, if approved, would create a stronger regional banking institution better positioned to support local economic development, accessible lending, affordable housing, and small business growth. Moreover, we believe that Mechanics Bank will maintain its commitments to supplier diversity, financial education, community development, capacity building, and inclusive hiring—principles that align directly with AACSR's mission.

We would like to reiterate that relevant stakeholders should consider the positive implications this merger holds for community banking and California communities traditionally underserved by larger financial institutions. We look forward to continuing our dialogue with Mechanics Bank and serving as

a resource to ensure the merger's success creates meaningful outcomes for the communities we represent.

Thank you for your time and attention.

Sincerely,

/s/ Jin Sung
Founder & Executive Director
OASIS Center International

/s/ Dr. Tecoy Porter Sr.
President & Executive Director
National Action Network Sacramento

/s/ Regina Grant Peterson
Treasurer & Board Director
LA South Hope Foundation

/s/ Dr. Rev. Daniel de León, Jr.
Chief Operating Officer
Templo Calvario Community
Development Corporation

/s/ Peter Park
Founder and Chairman
Dreams Come True Foundation

/s/ Shin Koyamada
Board Chairman
Koyamada International
Foundation

/s/ Lynisha R. Senegal
Advocate for Entrepreneurs
Vision View Partners,
Vision View Business Formation

/s/ Sandra Choi
Board Chair
EPICENTER Foundation

/s/ Scott Richards
Executive Director
Teach For America, California Capital
Valley

/s/ Gale Lee Oliver Jr.
Chief Executive Officer
Dream Big & Make it Happen

/s/ Carma Lacy
Executive Director
NorthSTAR OC / RevHub OC

/s/ Rev. Dr. Ralph E. Williamson
Chief Executive Officer
COR Community Development
Corporation

/s/ Henry Chang
Co-Founder
HumanBulb



May 14, 2025

Paul Worthing
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street, Ecker Square
Suite 2300, San Francisco,
California-945105

Re: The Undersigned Coalition of Organization Supports the Merger between Mechanics Bank and HomeStreet Inc.

Dear Mr. Worthing,

The undersigned coalition of organizations requests the Federal Deposit Insurance Corporation (“FDIC”) to approve the merger between the Mechanics Bank and HomeStreet Inc (the holding company of HomeStreet Bank).

We are a coalition of organizations including community based and faith organizations that directly work for the upliftment of marginalized and LMI communities in the Central Valley. As you may be aware, the Central Valley is one of the poorest regions in California. For many years, issues like affordable housing, community development and financial literacy have been ignored by the banks and other financial institutions. The lack of financial support from the banks for the small businesses in the central valley has significantly impacted on the LMI communities.

Fortunately, we have been developing a close relationship with the Mechanics Bank in recent years, and this has brought a new community partnership with Mechanics Bank. This has resulted in exploring new methods to increase community investments in the LMI communities, and expanding their ‘MB portfolio Homeowners Advantage Program’ that provides financial solutions for LMI borrowers to become homeowners. More importantly, we were able to build a network of community relationships with Mechanics Bank through Business Mixer Workshops, and suggest new financial solutions to invest in small businesses in California.

Our recommendations to approve this merger is a result of closely watching the Mechanics Bank’s performance in the community development and their future commitment to continue working with

the communities that they directly serve, especially LMI and minority communities in the Central Valle and other poor regions of California.

In conclusion, the undersigned coalition of organizations request FDIC to approve the merger application for the following reasons mentioned above. We strongly believe that this acquisition benefits the public, and undoubtedly aims to benefit the LMI and communities of color.

Sincerely,

Please reach out to us with any questions and concerns

Best regards,

A handwritten signature in blue ink that reads "Gerry Palon". The signature is written in a cursive, flowing style.

Gerry Palon

President & CEO

Coalition of Filipino American Chambers of Commerce (COFACC)

Email: gerrypalon@cofacc.org

Phone: +1 (310) 9995742



May 13, 2025

Paul Worthing
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street, Ecker Square
Suite 2300, San Francisco,
California-945105

Re: The National Diversity Coalition Supports the Merger between Mechanics Bank and HomeStreet Inc.

Dear Mr. Worthing,

The National Diversity Coalition (“NDC”) requests the Federal Deposit Insurance Corporation (“FDIC”) to approve the merger between the Mechanics Bank and HomeStreet Inc (the holding company of HomeStreet Bank). The transaction will expand the Mechanics Bank’s West Coast footprint and create a combined company with 168 branches and \$23 billion in assets.

At the outset, NDC’s policy of supporting mergers and acquisitions is premised on the principle of analyzing a bank’s past CRA performance and their future commitment to the communities, particularly Low-moderate income (LMI) and communities of color. Like any other community-based organization, we are aware of the risk of big mergers resulting in monopolistic or oligopolistic players in the banking sector. NDC and other coalition organizations acknowledge a regulatory review requires an analysis of four factors under Bank Merger Act, which are (i) competition prong, (ii) safety and soundness prong, (iii) convenience and needs prong, and (iv) financial stability prong. Since, the coalition of community-based organizations including NDC advocates for financial equality and empowerment of LMI and minority communities, our comment will be solely focused on the probable effects of the business combination on the convenience and needs of the community served.

The NDC supports the merger between the Mechanics Bank and HomeStreet Inc. The decision to support the merger for the following reasons, such as (i) Mechanics Bank & HomeStreet Bank’s Past CRA performance (ii) Mechanics Bank Impact Goals 2024-2026 and (iii) Supporting the Growth of Regional and Community Banks

Mechanics Bank & HomeStreet Bank’s Past CRA Performance



Mechanics Bank is a 120-year-old community bank based in Walnut Creek, California, which was started to help families, businesses and communities economically thrive through financial institutions. At present, the Mechanics Bank has 112 branches throughout California, and more than 16 billion assets. We, as a community-based organization, are satisfied with the Mechanics Bank's past CRA performances. The Mechanics Bank received a CRA rating of the 'outstanding' in the examination of 2019, and received a 'satisfactory' CRA rating in the year of 2022. A closer analysis of their CRA report 2022, demonstrates that Mechanics Bank was able to retain an outstanding CRA performance in the investment test, the report concludes that the Mechanics Bank had 'excellent levels' of qualified Community Development investments, grants, and excellent response to the community development needs. Moreover, the report also notes that Mechanics Bank exhibits a record of serving LMI communities by serving credit needs of economically disadvantaged communities and small businesses, consistent with safe and sound business practices.

It's also pertinent to note that as per the latest HMDA 2024 report, the Mechanics Bank is the leading bank in California to provide home purchase loan to the LMI communities with 34.20 % of their loans provided to LMI communities, and 56.83% of their home purchase loans are in Majority-Minority Census Tracts (MMCT). This figure indicates a strong commitment to providing homeownership for LMI and marginalized minority communities.

Similarly, HomeStreet was also able to retain 'satisfactory' ratings in the CRA examination of both 2020 and 2023. In the last evaluation of 2023, FDIC noted that the bank has a high satisfactory in lending and service test, and secured 'outstanding' rating in the investment test of the CRA examination. Finally, the report also concludes that HomeStreet bank is a leader in making community development (CD) loans.

Mechanics Bank CRA Community Impact Goals 2024-2026

The second reason for NDC's support for the merger between the Mechanics Bank and HomeStreet Bank is that we have internally evaluated the Mechanics Bank's 'CRA Community Impact Goal 2024-2026'. This impact goal document is aimed at working and expanding their performance in the lending and service areas of CRA lending. Mechanics Bank has committed to increasing their HMDA loans \$525MM \$625MM \$725MM in the years of 2024, 2025 and 2026 respectively. Further, the Mechanics Bank has committed to spending \$200MM, \$225MM and \$250MM for small businesses in the years 2024, 2025 and 2026 respectively. Additionally, they will also increase their community development loans from \$125 MM in 2024 to \$175 MM in 2026. These spending commitments could undoubtedly benefit the LMI and marginalized communities that are struggling to secure capital for buying homes and starting business in California.

Some of the goals of this document are as follows:



- Mechanics Bank will continue providing its “MB Portfolio Homeowners Advantage Program” mortgage product, an affordable, low down-payment mortgage designed for creditworthy LMI borrowers with an expanded eligibility for LMI communities.
- Mechanics Bank will provide financial solutions for small businesses with a gross annual revenue of 1 million or less with 150 million dollars loan, with a goal of starting or expanding small businesses in LMI communities.
- Mechanics Bank commits to \$2.5MM in direct donations, annually, along with combined outstanding EQ-2, Social Impact Bonds, and Community Land Trust investments of \$50MM. At least 50% of total giving will be focused on affordable housing, economic development, small business technical assistance and financial literacy causes supporting LMI and underserved individuals, families and communities.
- Mechanics Bank commits to maintaining over \$400MM in CRA-qualifying investments, with a particular focus on growing EQ-2, Social Impact Bonds (SIB) and CLT investments, along with CDs.
- Mechanics Bank commits to maintaining its current proportion of branches in rural, LMI, minority and/or underserved communities; and the bank is also currently exploring an opening of one additional full-service branch in a low-income neighborhood of color in California by the end of 2026.

Our internal analysis along with various community-based organizations of the Mechanic Bank’s CRA Impact Goals suggest that, if these goals are achieved, these measures will provide substantial contribution to the LMI and marginalized communities in California. The results of these investments will help the communities to address issues such as affordable housing, community development and economic opportunities for LMI individuals. We, being a community-based organization that work on financial equality and empowerment, believe that these financial commitments can really be beneficial for the marginalized communities and serve the public good

Importance of Growth in Regional and Community Banks

The third reason for NDC's support for this merger is that the growth of regional and community banks is beneficial for LMI and marginalized communities. In contrast to big banks, the community banks have a direct relationship with their local communities. The regional and community banks are committed and eager to devise new financial solutions to the LMI and marginalized communities, unlike big banks. Therefore, the merger of Mechanic Bank and HomeStreet bank will aid the growth of not only the bank alone, but the communities that depend on these regional and community banks.

In conclusion, NDC strongly believes that the merger between Mechanic Bank and HomeStreet Bank truly benefits communities and serves the public good. Our analysis of Mechanic Bank’s past CRA



performance and their future commitments made in the CRA Impact Goals of 2024-2026, makes us conclude that this acquisition satisfies the 'convenience and needs prong'.

Conclusion

In conclusion, the National Diversity Coalition requests the FDIC to approve the merger application for the following reasons mentioned above. We strongly believe that this merger benefits the public, and undoubtedly aims to benefit the LMI and communities of color.

Sincerely,

Please reach out to us with any questions and concerns

Best regards,

Faith Bautista
President & Chief Executive Officer, National Diversity Coalition

Email: faith@nationaldiversitycoalition.org

Pastor Jack Miranda
Board Chairman, National Diversity Coalition

Email: jack@mirandacenter.com

Victor Fakrogha
Vice President, National Diversity Coalition
Email: VFakrogha@communitywestbank.com



A handwritten signature in black ink, appearing to read "Regeanie Corona". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Regeanie Corona
Treasurer, National Diversity Coalition
Email: rcorona@advancetheseed.org

A handwritten signature in black ink, appearing to read "Robert Apodaca". The signature is cursive and somewhat stylized, with the first name being more prominent.

Robert Apodaca
Board Member, National Diversity Coalition
Email: robert.apodaca@gmail.com

Pramod Kunju

Pramod Kunju
Board Member, National Diversity Coalition
Email: pramod@nakunj.com

May 15, 2025

Paul Worthing
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street, Ecker Square
Suite 2300, San Francisco,
California-945105

Re: The Undersigned Coalition of Organization Supports the Merger between Mechanics Bank and HomeStreet Inc.

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Fortunately, we have been developing a close relationship with the Mechanics Bank in recent years, and this has brought a new community partnership with Mechanics Bank. This has resulted in exploring new methods to increase community investments in the LMI communities, and expanding their ‘MB portfolio Homeowners Advantage Program’ that provides financial solutions for LMI borrowers to become homeowners. More importantly, we were able to build a network of community relationships with Mechanics Bank through Business Mixer Workshops, and suggest new financial solutions to invest in small businesses in California.

Our recommendations to approve this merger is a result of closely watching the Mechanics Bank’s performance in the community development and their future commitment to continue working with the communities that they directly serve, especially LMI and minority communities in the Central Valley and other low income regions of California.

In conclusion, the undersigned coalition of organizations request FDIC to approve the merger application for the following reasons mentioned above. We strongly believe that this acquisition benefits the public, and undoubtedly aims to benefit the LMI and communities of color.

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Best regards,

Marcy Palos

Marcy Palos

Executive Director

RestoreLA-CDC



May 23, 2025

Paul Worthing, Regional Director
Dana Crutchfield, Deputy Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Via Email:

PWorthing@fdic.gov

dcrutchfield@fdic.gov

Re: *Rise Economy support for merger of Mechanics Bank and HomeStreet Bank*

Dear Regional Director Worthing and Deputy Regional Director Crutchfield,

I write to register the support of Rise Economy for the merger application of Mechanics Bank to acquire HomeStreet Bank.

Rise Economy is a California-based alliance representing over 300 member organizations that work to create systemic change and economic justice in BIPOC and low-income communities. We engage financial institutions in dialogue about how they can best serve LMI and BIPOC communities in our state. Rise Economy has commented on numerous bank merger applications over the years. Generally, our comments are in opposition to bank mergers, which we feel have negative impacts on communities such as branch closures, lost jobs, less community reinvestment and higher consumer and small business bank fees.

Here, we support the Mechanics Bank application. We do so for a number of reasons. First and foremost, our support reflects the effort we see that Mechanics Bank has put into serving California communities. Specifically, we note that Mechanics Bank has entered into impactful Community Benefits Agreements, demonstrates a strong commitment to California communities, exhibits active engagement by its top leadership, engages in constructive dialogue and regular meetings with community groups, exhibits transparency in its dealings, and, perhaps most importantly, receives positive feedback from our member organizations.

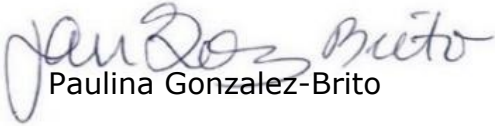
We also note that this merger may present a rare situation where we believe that California is better off for the merger. We understand that HomeStreet Bank has recently struggled to serve its customers and communities, providing minimal lending and community reinvestment. We believe that Mechanics Bank will become stronger due to the merger, and better able to create wealth-building opportunities for California's low-income communities of color.

Lastly, we are unaware of any substantive objection from any group to this merger.

For these reasons, Rise Economy supports this merger. Please let me know if you have any questions or wish to discuss this matter further. I can be reached at (415) 864-3980, or by email at pgonzalezbrito@rise-economy.org.

Thank you for your consideration of our views.

Sincerely,



Paulina Gonzalez-Brito



May 14, 2025

Paul Worthing
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Sincerely,

Please reach out to us with any questions and concerns

Best regards,

A handwritten signature in black ink on a light-colored background. The signature is cursive and appears to read "Paul Zavala".

Paul Zavala

CEO, Time In Destiny

May 15, 2025

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Regional Director
Federal Deposit Insurance Corporation
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Please reach out to us with any questions and concerns

Best regards,

Monica Ball



Monica Ball, Board President, UPLIFT San Diego

monica@upliftsandiego.org | 619-708-3512