



June 2, 2024

South State Bank, National Association  
1101 First Street South  
Winter Haven, FL 33880

Office of the Comptroller of the Currency  
400 7th Street SW  
Washington, D.C. 20219

Independent Bank  
7777 Henneman Way  
McKinney, TX 75070

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Dallas Regional Office  
1601 Bryan Street, Suite 1410  
Dallas, Texas 75201

**RE: Comment on South State Bank (South State to Acquire Texas-based Independent Bank Group)**

I am submitting this letter to South State Bank's Community Reinvestment Act (CRA) public file for consideration on South State Bank's merger application.

On May 20, 2024, South State Corporation, and Independent Bank Group, jointly announced today that they have entered into a definitive agreement under which South State will acquire Independent Bank Group.

<https://www.southstatebank.com/global/about/stories-and-insights/southstate-to-acquire-texas-based-independent-bank-group-inc>

From 2010 to 2020, Independent Bank has excluded several Low to Moderate Income Census Tracts in Southern Dallas from their assessment area map. Also, the census tracts excluded are majority minority.

### **REDLINING CONCERNS/ DESCRIPTION OF ASSESSMENT AREA**

#### **Per 2011 Performance Evaluation**

When Town Center Bank, Coppell, Texas, was acquired in 2010, bank management designated two census tracts in Tarrant County and 11 census tracts in Dallas County for a total of 13 census tracts as this portion of their assessment area. The bank maintains one office in this assessment area in Coppell, Texas. Tarrant County is located in the Fort Worth-Arlington MD.

[https://crapes.fdic.gov/publish/2011/03076\\_111114.PDF](https://crapes.fdic.gov/publish/2011/03076_111114.PDF)

#### **Per 2014 Performance Evaluation**

Independent designated six assessment areas described as follows: (1) Dallas-Plano-Irving MD, which includes all of Collin and Denton Counties, and portions of Dallas County (117 tracts). Two census tracts in far northeastern Tarrant County, which is part of the Fort Worth-Arlington MD, are also included in this area.

[https://crapes.fdic.gov/publish/2014/03076\\_140908.PDF](https://crapes.fdic.gov/publish/2014/03076_140908.PDF)

#### **Per 2017 Performance Evaluation**

Independent Bank designated all of Collin and Denton Counties as well as a portion of Dallas County as its assessment area within the Dallas-Plano-Irving MD. The entire area consists of 407 census tracts. Since the previous exam, the number of census tracts in this assessment area decreased by one; however, maintained similar demographics to those noted at the previous CRA evaluation.

[https://crapes.fdic.gov/publish/2017/03076\\_170821.PDF](https://crapes.fdic.gov/publish/2017/03076_170821.PDF)

Independent Bank's decision to exclude low to moderate-income and majority minority neighborhoods in Southern Dallas from its CRA (Community Reinvestment Act) assessment area has had detrimental effects. This exclusion has resulted in reduced credit availability, limited investments, decreased lending activities, and has created a discouraging environment for prospective applicants in these 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

\*This major minority community is home to 500,000 residents.

### **Regulatory Violations:**

Between 2010 and 2020, Independent Bank breached the following regulatory requirements:

12 CFR § 345.41(e)(2):

- Violation: Engaged in practices that may reflect illegal discrimination.

12 CFR § 345.41(e)(3):

- Violation: Arbitrarily excluded low- or moderate-income geographies, without considering the bank's size and financial condition.

### **DOJ, CFPB, and OCC announce aggressive redlining initiative; take action against national bank for alleged lending discrimination.**

On October 22, 2021 the DOJ, in collaboration with the CFPB and the OCC, [announced](#) a new initiative to combat redlining and lending discrimination. The Combatting Redlining Initiative will be led by the DOJ's Civil Rights Division's Housing and Civil Enforcement Section in partnership with U.S. Attorney's offices, and will, among other things, (i) "ensure that fair lending enforcement is informed by local expertise on housing markets and the credit needs of local communities of color"; (ii) "expand the department's analyses of potential redlining to both depository and non-depository institutions" (the DOJ noted that non-depository lenders now make the majority of mortgages in the U.S.); (iii) strengthen financial regulator partnerships to ensure fair lending violations are identified and referred to the DOJ; and (iv) increase fair lending coordination with state attorneys general to identify potential violations. Attorney General Merrick Garland [stated](#) that the initiative will "address modern-day redlining by making far more robust use of our fair lending authorities," and marks the DOJ's "most aggressive, coordinated effort to address redlining." Garland noted that several redlining investigations are currently ongoing, and more are expected to be opened in the upcoming months.

<https://www.justice.gov/opa/pr/justice-department-announces-new-initiative-combat-redlining>

### **Department of Justice (DOJ) Redlining Cases**

All banks fined by the Department of Justice (DOJ) previously received a Satisfactory or Outstanding rating in their Community Reinvestment Act (CRA) Performance Evaluation conducted by their regulator. In these evaluations, the regulator did not identify discriminatory or other illegal credit practices by these financial institutions. However, despite these positive evaluations, the DOJ issued regulatory fines for redlining and discrimination. The Justice Department's Combating Redlining Initiative has secured over \$107 million in relief for communities of color nationwide that have experienced lending discrimination by banks.

<https://www.justice.gov/crt/recent-accomplishments-housing-and-civil-enforcement-section>

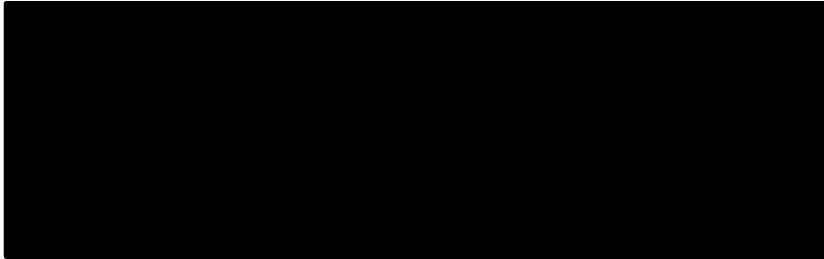
### **Conclusion**

From 2010 to 2020, Independent Bank engaged in a pattern or practice of redlining in violation of the Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601–3619, the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691–1691f, and Regulation B, 12 C.F.R. § 1002.1 et seq., by discriminating based on race, color, and national origin. Specifically, Independent Bank engaged in redlining by avoiding providing home loans,

small business loans, and other financial services in majority-Black/Hispanic and Low to Moderate Income census tracts.

On behalf of the 500,000 residents that reside in the Southern Dallas Community, we request that the U.S. Department of Justice (DOJ) and Consumer Financial Protection Bureau (CFPB) hold South State Bank account if this merger is approved.

Sincerely,



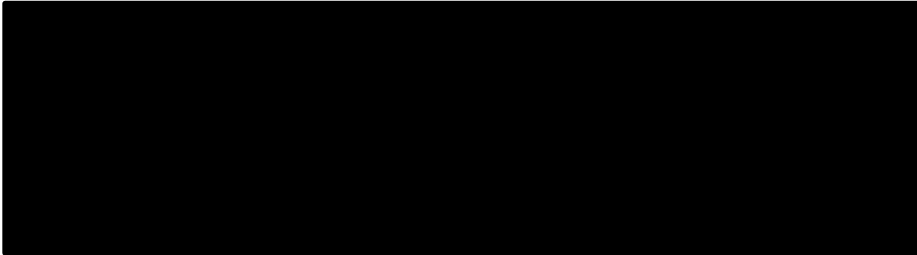


Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection

CONTROLLED//FDIC BUSINESS

Dallas Regional Office  
600 North Pearl Street, Suite 700, Dallas, TX 75201

November 4, 2024



Re: Independent Bank – Application to Establish a Branch Office in Dallas, Texas

Dear 

The FDIC completed our review of your correspondence concerning the application filed by Independent Bank, McKinney, Texas to establish a branch office in Dallas, Texas, on June 26, 2024. The FDIC took into consideration the issues you raised in your Community Reinvestment Act (CRA) protest and investigated those issues as well as the bank's overall CRA performance. Based on our review, we approved the application on November 1, 2024, subject to the condition described in the enclosed Statement.

If there are any questions regarding this letter, please contact Assistant Regional Director Lauri S. Angle at (972) 761-8337, or Review Examiner David Harrell at (501) 859-5858.

Sincerely,

David E. Wright  
Deputy Regional Director

Enclosure

cc: Independent Bank, McKinney, Texas

**FEDERAL DEPOSIT INSURANCE CORPORATION**

Re: Independent Bank  
McKinney, Texas

Application to Establish a Branch in Dallas, Texas

**STATEMENT**

Per Section 345.29 of the CRA regulation, the FDIC takes into account any views expressed by interested parties that are submitted in accordance with Part 303 of the FDIC's Rules and Regulations in considering bank applications. Additionally, the FDIC must consider the statutory factors set forth in Section 6 of the FDI Act (12 U.S.C. 1816). This includes an analysis of the convenience and needs of the community to be served.

In evaluating this proposed transaction, FDIC staff reviewed: (i) the bank's CRA record of performance; (ii) written public comments; (iii) the fair lending and other consumer compliance records of the bank; (iv) information provided by the bank in response to public comments; and (v) confidential supervisory information.

CRA Performance Evaluation Rating

For the purposes of the CRA, the FDIC assigned Independent Bank an overall "Satisfactory" rating at its most recently issued CRA Performance Evaluation as of April 24, 2023.

CRA Protest

In the course of reviewing public input on the application, the FDIC received an adverse comment that was considered a CRA protest. The CRA protest was critical of Independent Bank's home mortgage and small business lending activities in Dallas County and South Dallas, lending activity to Black applicants, branch locations, CRA initiatives, marketing/outreach efforts, product offerings, and diversity in staff.

Bank's Response

The bank notes they have several loan programs that are intended to help underserved communities take advantage of affordable credit opportunities. In addition, the bank holds financial literacy courses to provide education to help credit history. The bank also notes that in all Performance Evaluations from 2012 to 2023, the geographic distribution performance factor has been rated at least adequate and that specifically the 2023 CRA Public Evaluation describes efforts taken from 2020 through 2023.

The bank identified that two of their four branch locations in Dallas County operate in majority-minority tracts based on 2020 U.S. Census Data. The response also confirms the bank employs several African American loan officers for both home mortgage and commercial lending in Dallas.

The bank notes 2022 home mortgage and small business lending was in line with similarly situated banks in both applications and originations.

Summary Analysis

The FDIC fully considered and assessed the issues and concerns raised in the CRA protest and Independent Bank's response. The FDIC also considered confidential information regarding the institution.

The FDIC evaluated the bank's HMDA and CRA data to analyze the allegations and determined that the bank does serve South Dallas and does offer product solutions for the unbanked and underbanked.

After a careful review of the concerns, the FDIC approved the application with a condition. This condition will help continue to ensure home mortgage and small business lending needs in Independent Bank's CRA assessment areas are met.

Implement the Action Plan (Plan) approved by the Board of Directors of Independent Bank on April 18, 2024, and the FDIC on June 11, 2024. Implementation of the approved Plan will include action on the Bank-developed strategies to improve home mortgage and small business lending in majority-minority and majority-Black tracts within the bank's Dallas-Fort Worth MSA assessment area, primarily within Dallas County. The implementation also addresses strategies to improve home mortgage applications and originations to Black applicants using Bank developed metrics, to assess actions and progress under the Plan. The Bank should continue to provide quarterly updates to the FDIC's Dallas Regional Office detailing the Bank's progress under the Plan.



Mrs. Mellissa Slover-Athey  
Director of Community Engagement, CRA  
SouthState Bank, N.A.  
1101 First Street South  
Winter Haven, FL 33880  
[mathey@southstatebank.com](mailto:mathey@southstatebank.com)

January 24, 2025



Subject: Complaint regarding *The Post and Courier* article referencing sale of 170 branches.

Dear 

This letter is in response to the correspondence received from the Office of the Comptroller of the Currency ("OCC") dated January 14, 2025, regarding your complaint referencing the Community Reinvestment Act ("CRA")<sup>1</sup> and referring to *The Post and Courier* article originally dated January 14, 2025, with the headline of "A big bank in SC to sell 170 branches across 6 states for \$475M" (McDermott).

Regarding your concerns under the CRA relating to providing banking services to all individuals of the community, SouthState has an overall Satisfactory CRA record and

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<sup>1</sup> Your letter refers to the South Carolina Banking and Insurance Commission, the City of Charleston, and local law enforcement. This response will not address those areas as they are not affiliated or associated with SouthState.



specifically a High Satisfactory retail banking service record in the Charleston MSA.<sup>2</sup> SouthState prides itself in serving the unique needs of the local communities where we operate. *The Post and Courier* article does correctly state that the Bank has agreed to sell and then lease back certain properties but that the Bank will not close any branches or exit any markets as a result. Indeed, there will be no impacts to any customers. The headline is misleading in that it implies the Bank is selling the properties and leaving the market.

The facts in the article were derived from SouthState Corporation's filing on Form 8-K<sup>3</sup> with the Securities and Exchange Commission but does not include all the information from that filing. We ask you to review the Bank's full Form 8-K which can be located on the SEC's website.

SouthState has a proud history of serving its communities' needs, especially those in the greater Charleston area with 18 branch locations and looks forward to continuing to serve those communities and customers.

We trust that the above will satisfy your concerns regarding the CRA and the proposed sale-leaseback transaction.

Sincerely,

*Melissa Slover-Athey*

Melissa Slover-Athey  
SVP, Director of Community Engagement (CRA)

#### References

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<sup>2</sup> Office of the Comptroller of the Currency (May 6, 2024). Community Reinvestment Act Performance Evaluation Public Disclosure. <https://occ.gov/publications-and-resources/tools/index-cra-search.html>

<sup>3</sup> SouthState Corporation (January 13, 2025). Form 8-K 2025. <https://www.sec.gov/edgar>

McDermott, John. *The Post and Courier*. Ed. John McDermott. 14 January 2025. Online newspaper. 14 January 2025. <[https://www.postandcourier.com/business/sc-southstate-bank-columbia-charleston-florida-real-estate/article\\_e935caa8-d286-11ef-b973-4326043d16fe.html](https://www.postandcourier.com/business/sc-southstate-bank-columbia-charleston-florida-real-estate/article_e935caa8-d286-11ef-b973-4326043d16fe.html)>

[REDACTED]

**To:** [Office-of-the-Secretary, \(Board\)](#)  
**Cc:** [ATL Applications Comments Mailbox](#); [REDACTED]  
**Subject:** [External] Request for Full Copy of, & Timely Comments On, Requesting Hearings & an Extension of the Comment Period On the Applications by SouthState Corporation to merge with Independent Bank Group, Inc., and Independent Bank  
**Date:** Monday, July 29, 2024 11:37:22 PM

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NONCONFIDENTIAL // EXTERNAL

PLEASE NOTE: This email is not from a Federal Reserve address.  
Do not click on suspicious links. Do not give out personal or bank information to unknown senders.

July 29, 2024

Via E-mail to Office-of-the-Secretary [at] frb.gov

[REDACTED]

Re: Request for Full Copy of, & Timely Comments On, Requesting Hearings & an Extension of the Comment Period On the Applications by SouthState Corporation to merge with Independent Bank Group, Inc., and Independent Bank

[REDACTED]

This is a request for a full copy of, and a timely first comment on, the Applications of SouthState Corporation to merge with Independent Bank Group, Inc., and Independent Bank.

SouthState in South Carolina in 2023 - data not yet included in any CRA exam - made 5013 mortgage loans to whites, and only 228 loans to African Americans. Meanwhile it denied only 670 applications from whites, and fully 195 from African Americans. SouthState should be referred to DOJ.

SouthState in North Carolina in 2023 - data not yet included in any CRA exam - made 1334 mortgage loans to whites, and only FIFTY SEVEN loans to African Americans. Meanwhile it denied only 173 applications from whites, and fully 20 from African Americans.

SouthState in Florida in 2023 - data not yet included in any CRA exam - made 2755 mortgage loans to whites, and only 165 loans to African Americans. Meanwhile it denied only 958 applications from whites, and fully 69 from African Americans.

SouthState in Georgia in 2023 - data not yet included in any CRA exam - made 1176 mortgage loans to whites, and only 318 loans to African Americans. Meanwhile it denied only 304 applications from whites, and fully 88 from African Americans.

SouthState in Alabama in 2023 - data not yet included in any CRA exam

- made 945 mortgage loans to whites, and only FIFTY ONE loans to African Americans. Meanwhile it denied only 87 applications from whites, and fully 17 from African Americans. SouthState should be referred to DOJ.

Nationwide in 2023, SouthState made 7798 mortgage loans to whites, and only 947 loans to African Americans. Meanwhile it denied only 2491 applications from whites, and fully 558 from African Americans.

There is litigation, there is also this: Wally Less: \$254K Complaint Against SouthState Advisor A recent investor complaint against Savannah, Georgia financial advisor Wally Less (CRD# 5191948) alleges that he approved unauthorized transactions. Financial Industry Regulatory Authority records show that he is registered as a broker and an investment advisor with LPL Financial, doing business as SouthState Investment Services. Mr. Less's BrokerCheck report discloses one investor complaint. Filed in May 2024, it alleges that as a representative of LPL Financial, he approved transactions that were not authorized by the account's power-of-attorney. The pending complaint alleges damages of \$254,048. SouthState Investment Services's website includes a profile of Mr. Less that describes his background and credentials. "Wally Less has extensive experience helping both individuals and business owners pursue their financial goals including retirement, insurance, college savings and investment needs," it explains. "At SouthState Investment Services, he helps clients in the Savannah area create comprehensive financial plans for the future."

Why would regulators even consider approving its expansion?

[REDACTED] is requesting an extension of the public comment period, public / virtual evidentiary hearings and that, on the current record, the applications not be approved

[REDACTED] have been deeply concerned about the rush by the Federal Reserve to rubber-stamp mergers by redliners, money launderers and predatory lenders. This has been killing the Community Reinvestment Act and we timely request public hearings.

The comment period should be extended; evidentiary hearings should be held; and on the current record, the application should not be approved.

Please immediately send all requested information -- including a complete copy of the [REDACTED]

[REDACTED] Please also confirm receipt of this formal submission. If you have any questions, please immediately telephone the undersigned, at [REDACTED].

Very Truly Yours,

[REDACTED]



August 13, 2024

[REDACTED]

Re: SouthState Corporation: Response to Request from [REDACTED] related to proposed acquisition of Independent Bank Group, Inc/ Independent Bank by SouthState Corporation

Dear [REDACTED]

SouthState Corporation and SouthState Bank, N.A. (collectively, "SouthState"), Winter Haven, Florida, are responding to the email letter sent from [REDACTED] related to the application filed by SouthState to acquire Independent Bank Group, Inc. and Independent Bank, McKinney, Texas pursuant to Sections 3(a)(3) and 3(a)(5) of the Bank Holding Company Act and Section 225.15 of Regulation Y ("Application"). As an initial matter and as demonstrated in the Application, SouthState is steadfastly committed to help all members within our communities to achieve their financial goals, which includes access to credit and homeownership.

SouthState's dedication to the communities it serves is evidenced by its consistently strong performance on its Community Reinvestment Act ("CRA") evaluations and compliance with fair lending laws and regulations. As explained below, the data cited in [REDACTED] letter is misleading, and in some cases, inaccurate, and does not reflect the full record of SouthState's broader home lending and refinancing activities, including the wide array of products and services it provides to low- and moderate-income communities.

Regarding the emailed letter's accuracy, we were unable to replicate many of the numbers that [REDACTED] provided in his communication. For example, in Alabama, the comment letter cites SouthState Bank has 945 loans to White applicants with only 51 to African American applicants, whereas publicly available data reflects 441 loans to White applicants and 186 loans to African American applicants<sup>1</sup>. In South Carolina, the comment letter cites 5,013 loans to White applicants with only 228 to African American applicants, whereas publicly available data reflects 2,648 and 235, respectively<sup>2</sup>. Additional discrepancies between [REDACTED] email letter and publicly available data exist.

The Federal Reserve has long recognized that HMDA data alone provides an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending and provide only

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<sup>1</sup> [https://ffiec.cfpb.gov/data-browser/data/2023?category=states&items=AL&leis=8I3UVGYULPJQIP7FQV10&actions\\_taken=1&rac=Black%20or%20African%20American.White&getDetails=1](https://ffiec.cfpb.gov/data-browser/data/2023?category=states&items=AL&leis=8I3UVGYULPJQIP7FQV10&actions_taken=1&rac=Black%20or%20African%20American.White&getDetails=1)

<sup>2</sup> [https://ffiec.cfpb.gov/data-browser/data/2023?category=states&items=SC&leis=8I3UVGYULPJQIP7FQV10&actions\\_taken=1&rac=Black%20or%20African%20American.White&getDetails=1](https://ffiec.cfpb.gov/data-browser/data/2023?category=states&items=SC&leis=8I3UVGYULPJQIP7FQV10&actions_taken=1&rac=Black%20or%20African%20American.White&getDetails=1)





limited information about the covered loans.<sup>3</sup> For example, the data do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract, and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data. HMDA data may also be incomplete and may not identify all applicants' income level, ethnicity, or other demographic factors. It is widely accepted that one cannot use HMDA data alone to conclude whether a statistical difference in loan approval rates is the result of discrimination as opposed to differences in credit and transaction characteristics.<sup>4</sup> SouthState Bank takes its CRA and fair lending obligations seriously and is resolute in providing equitable access to credit to traditionally underserved communities through its robust CRA and fair lending governance policies and processes.

SouthState Bank also offers several affordable housing loan programs, partnering with local, city, and state municipalities or non-profit organizations to make available over 100 Down Payment Assistance products in our local communities. Additionally, over the past 2 years, the bank:

- Introduced its own proprietary forgivable down payment program, as well as a Special Purpose Credit Program ("SPCP") with more flexible credit requirements,
- Allocated dedicated marketing budget to reach underserved communities,
- Established two Loan Production Offices in minority neighborhoods,
- Hired additional minority mortgage lenders, and as mentioned above,
- Expanded its robust product offering of affordable housing loan products.

SouthState Bank has seen a positive impact from these strategic initiatives in several markets during 2023 and we anticipate continued progress to become further evident in 2024 and beyond.

With respect to the Less matter, [REDACTED] apparently obtained his information from the Financial Industry Regulatory Authority ("FINRA") BrokerCheck disclosures section. The matter is ancillary to a completed lawsuit in which neither SouthState Bank nor [REDACTED] (or even LPL) was named, where the judge determined that the power of attorney was acting in violation of her duties. The matter has been resolved.

SouthState has a proud history of serving its communities' needs, and we look forward to bringing these principles and community-centric approach to the communities we will serve in Texas and Colorado. To that end, and as noted in the Application, SouthState is proactively working with the National Community Reinvestment Coalition ("NCRC") and its members to develop a strong and impactful Community Benefits Agreement ("CBA"). SouthState has scheduled meetings with community-based organization leaders throughout its footprint over the next month to hear about the

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<sup>3</sup> See e.g., FRB Order No. 2024-02 (Apr. 11, 2024); FRB Order No. 2024-01 (Feb. 23, 2024); FRB Order No. 2023-08 (Nov. 21, 2023). The Office of the Comptroller of the Currency has taken a similar position and has consistently noted in its corporate decisions that HMDA data does not provide an adequate basis for concluding that a bank is engaged in lending discrimination, nor does it indicate whether its level of lending is sufficient. See e.g., OCC CRA Decision No. 230 (Jan. 17, 2023); OCC Conditional Approval No. 1298 (Oct. 14, 2022); OCC CRA Decision No. 221 (Sep. 30, 2021).

<sup>4</sup> See, e.g., Racial and Economic Disparities in the Mortgage Market, CFPB, [https://files.consumerfinance.gov/f/documents/cfpb\\_racial-economic-disparities-in-mortgage-market\\_slides\\_2021-08.pdf](https://files.consumerfinance.gov/f/documents/cfpb_racial-economic-disparities-in-mortgage-market_slides_2021-08.pdf) (Aug. 13, 2021) ("HMDA data alone cannot determine whether a financial institution is engaged in discriminatory lending."); FFIEC Announces Availability of 2020 Data on Mortgage Lending, FFIEC, <https://www.ffiec.gov/press/pr061721.htm> (Jun. 17, 2021) ("HMDA data are generally not used alone to determine whether a lender is complying with fair lending laws. The data do not include some legitimate credit risk considerations for loan approval and loan pricing decisions. Therefore, when regulators conduct fair lending examinations, they analyze additional information before reaching a determination about an institution's compliance with fair lending laws.").





specific credit needs of their communities. Although the specific details of the CBA commitment will be informed and determined by these local market meetings, SouthState is currently expecting that any CBA that may be agreed to will include commitments to increase mortgage lending, small business lending, community development loans and investments, and CRA-eligible philanthropy. SouthState intends to work with the NCRC to develop a process for monitoring and reporting progress towards the CBA commitments and for ongoing engagement throughout the term of the CBA. This collaborative partnership involving robust community engagement will ensure that the goals developed in SouthState's CBA are impactful and responsive to local needs.

In summary, we respectfully submit that the data cited in the [REDACTED] email letter is selective and does not raise any substantive issues within the scope of the factors set forth by statute for Federal Reserve approval.

[REDACTED] letter also requests an extension of the public comment period and a public hearing on the Application as well as a "fully copy" of the Application. The proposed transaction was publicly announced on May 20, 2024, and on June 26, 2024 and June 28, 2024, SouthState caused notice of the Application and directions on how to submit public comments to be published in newspapers of general circulation in McKinney, Texas and Winter Haven, Florida in compliance with Federal Reserve and OCC requirements.<sup>5</sup> The public comment period for the Application closed on August 9, 2024, 45 days after the initial notice of the Application ran and 82 days after the proposed transaction was publicly announced. Therefore, we respectfully submit that ample time has been provided for public comment on the Application, and request that the commenter's request to extend the comment period beyond August 9, 2024 be denied.

[REDACTED] letter also requests a public hearing on the proposal. We respectfully submit that the allegations made in the email letter do not merit a public hearing under the Federal Reserve's regulations, which require that any comment requesting a hearing include "a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing."<sup>6</sup> The email letter does not identify any genuine issues of fact that would be material to the Federal Reserve's decision on whether or not to approve the Application. Further, the commenter has not demonstrated why the written comment is inadequate for purposes of presenting its objections to the Application. Thus, we respectfully submit that the request fails to meet the standard for holding a public hearing set forth by the Federal Reserve in past decisions.<sup>7</sup>

As a matter of public support, we emphasize that thirty-nine community organizations provided letters of support and/or gratitude to SouthState for its dedication to serving the community, which are included in the Application. SouthState provides support to these organizations in the form of Equity Equivalent Investments; grants for technical assistance to purchase homes or improve credit; funds for downpayment assistance; and unrestricted capital for operating support. These are just some of the examples of the financial support provided to these organizations. Many also receive human capital support in the form volunteerism by board members and other servant leadership. The community organizations that provided letters of support include Community Development Corporations (CDCs), Community Development Financial Institutions (CDFIs), and local grassroots organizations that received their start due to the assistance of SouthState Bank. These are some examples of the impact that SouthState is making in low- and moderate-income communities:

- "As we reflect upon SouthState Bank's support for ANDP, we can trace your investment back to 2019. SouthState's extension of credit into our single-family fund has grown to \$2,000,000 since the initial debt

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<sup>5</sup> 12 C.F.R. § 262.3(b); 12 U.S.C. § 1828(c); 12 C.F.R. 5.8.

<sup>6</sup> 12 C.F.R. § 262.3(e).

<sup>7</sup> See e.g., FRB Order No. 2024-02 (Apr. 11, 2024); FRB Order No. 2024-01 (Feb. 23, 2024), FRB Order No. 2023-007 (Nov. 15, 2023).



investment of \$250,000. Between 2019 and through December 21, 2023, ANDP has produced 484 single family homes." The Single Family Rotating Capital Fund in support of ANDP's development of affordable single-family housing in metro Atlanta. ~Sara Haas, VP for Lending, Capital and Compliance, Atlanta Neighborhood Development Partnership, Inc.

- "The almost \$100K in operating grants (a rare commodity for many in the CDFI industry) has enabled ACC to help pay its chief lending and impact officer's salary over the past year and a half. This staff position is focused on identifying and increasing new sources of capital that ACC – as a CDFI intermediary – can lend to its members. ACC can point to the success of this partnership with SouthState Bank and is now leveraging the investment to seek additional capital from other investors." ~Donna Gambrell, President and CEO Appalachian Community Capital
- "SouthState Bank's mortgage products and down payment assistance programs have been instrumental in making homeownership accessible to those who might otherwise find it out of reach. Your tailored mortgage solutions and financial support have empowered countless individuals and families to achieve their dreams of owning a home, fostering stability and growth in our community." ~Carol Clarke, CEO Neighborhood Housing Services of Birmingham, Inc.

Finally, the email letter requests that the Federal Reserve provide [REDACTED] with access to a "fully copy" of the Application. When submitting the Application, SouthState specifically requested confidential treatment under the federal Freedom of Information Act, 5 U.S.C. § 552, and the implementing regulations of the Federal Reserve, 12 C.F.R. Part 261, for the materials included in the confidential portion of the Application. For the reasons stated therein, the Federal Reserve should deny the request for disclosure of the confidential materials.

We trust this addresses [REDACTED] concerns.

Sincerely,

A handwritten signature in black ink that reads 'Melissa Slover-Athey'.

Melissa Slover-Athey  
SVP, Director of Community Engagement (CRA)

cc: [REDACTED]  
SouthState Bank, N.A.

[REDACTED]  
Independent Bank