

November 8, 2011

ATTN: Steven Maggio
Director for District Licensing
Northeastern District Office
Office of the Comptroller of the Currency (“OCC”)
340 Madison Avenue, Fifth Floor
New York, NY 10173-0002

RE: The Notice and Application filed by Capital One Financial Corporation (“Capital One”) to acquire HSBC Bank Nevada, N.A. and its credit-card business (“HSBC”) presently pending before the Northeastern District Office of the Office of the Comptroller of the Currency.

**NATIONAL GROUPS’ REQUEST FOR PUBLIC MEETINGS, A
FORMAL HEARING, AND AN EXTENSION OF THE COMMENT PERIOD**

Dear Director Maggio:

The undersigned national consumer, community, housing, and civil rights organizations strongly support a two-month extension of the comment period to allow the OCC to hold a formal hearing and public meetings in at least five cities about Capital One’s proposed acquisition of HSBC Bank Nevada, N.A. Specifically, we call on the OCC to allow the public to weigh in on the proposal’s potential impact on consumers, communities, and the American economy by scheduling public hearings and meetings across the country in cities like Los Angeles, Phoenix, Atlanta, Milwaukee, and New York.

Additionally, there must be a thorough investigation of Capital One’s practices to determine if they will be continued, reformed, or exacerbated by the proposed purchase. The American people deserve a complete review of the potential impact of this deal. The process must instill confidence in the U.S. financial system by consumers, investors, and institutions around the world and must not dampen prospects for a strong economic recovery.

The OCC may hold a public hearing when a requester shows that:

- A written submission would be insufficient to enable the requester to make an adequate presentation of information; or,
- The hearing would benefit the decision-making process or be in the public’s interest.

We believe that the concerns raised below meet both of these requirements, though either one is sufficient to trigger the OCC’s authority to grant our request.

1. **We have concerns about whether this proposal threatens our economic stability by encouraging “Too-Big-to-Fail” banking.**

The OCC should discourage continued growth of systemically important institutions due to an already heavily concentrated banking sector. Before the OCC approves further consolidation in the financial

sector and the growth of another too-big-to-fail bank, the law requires Capital One to demonstrate how its acquisition provides benefits that are significant to the public. Yet, Capital One's application fails to meet that burden. The bank's discussion of its Community Reinvestment Act program and future plans are cursory at best, raising more questions than answers. And there is no specific information on where or how Capital One plans to increase affordable, wealth generating loans and investments for consumers. Because Capital One fails to meet its burden of explaining public benefits in its application, they should be required to do so as part of an extended comment period that includes public hearings and meetings. Moreover, in light of the passage of Dodd-Frank, the OCC owes the public an opportunity to comment on an acquisition that creates the nation's largest subprime credit-card issuer and one that is a significant contributor to the further consolidation of the highly concentrated credit-card market.

2. We have concerns about whether this proposal addresses Capital One's unresolved legal challenges.

Capital One is under investigation by the U.S. Department of Housing and Urban Development due to a complaint filed by the National Community Reinvestment Coalition. That complaint alleges racially discriminatory practices that violate fair lending laws. To date, Capital One has not offered any concrete reforms to its fair lending policies that would ensure the public that its practices are nondiscriminatory.

3. We have concerns about whether this current review process allows for meaningful public input and requires Capital One to demonstrate a genuine commitment to underserved communities.

To create the largest subprime credit-card lender in the United States, while only allowing the public 30 days to comment, is an inadequate and unsatisfactory process for allowing the public to have meaningful input. Further, the approval of this acquisition should not happen without requiring Capital One to make a clear commitment to serve working-class Americans and communities of color. This commitment should be made prior to the application's approval, not after.

4. We have concerns about whether this proposal resolves allegations of Capital One's abusive financial practices.

Due to allegations of abusive and predatory credit practices, the OCC should allow time to gather consumer credit-card complaints from the Consumer Financial Protection Bureau—which recently launched its complaint gathering mechanism.

Conclusion

To provide adequate time and allow thorough input from community leaders, businesses, and other regulatory agencies, the OCC should immediately extend the public comment period by at least 60 days, hold a formal hearing, and conduct public meetings in at least five major cities—such as Los Angeles, Phoenix, Atlanta, Milwaukee, and New York.

Signed:

National Community Reinvestment Coalition
Alliance for a Just Society

Americans for Financial Reform
Center for Responsible Lending
Gamaliel Foundation
Greenlining Institute
Housing Assistance Council
NAACP
National Alliance of Community Economic Development Associations
National Association of Hispanic Real Estate Professionals
National Association for Latino Community Asset Builders
National People's Action
National Low Income Housing Coalition
National Urban League
The New Bottom Line Campaign
PICO National Network
Public Citizen
Rainbow PUSH Coalition
SAFER, the Committee of Economists and Other Experts for Financial Reform sponsored by the Political Economy Research
Institute at the University of Massachusetts/Amherst
US PIRG