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The public should rebel against Fleet's high fees

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Fleet is close to becoming a banking monopoly of New England by purchasing BankBoston, its last major competitor. Its new position has allowed Fleet to impose bank fees that target working people. The Neighborhood Assistance Corporation of America, a non-profit community advocacy organization, is fighting to expose and reverse Fleet's predatory and abusive practices.

Fleet's fees are really a Fleet-imposed tax on New England's working people. Its basic checking account, aimed at people without large amounts of savings, typifies the kinds of fees imposed by Fleet. Customers are charged a monthly fee for maintaining the account. The fee covers only 10 transactions a month. Additional transactions cost \$1 each. Fleet's definition of a transaction includes writing a check, using an ATM, interacting with a bank teller, or using a debit card. Most people must engage in one or several of these transactions every day.

Fleet's policies have opened the door for other banks to increase their fees. Citizens Bank, which took over US Trust and eliminated its free checking accounts, is following Fleet's footsteps.

Fleet's record profits, one billion dollars last quarter, are largely a result of exploitative fees and bare-bones customer services.

Customer outrage about Fleet is easy to understand. Consider these facts:

- (1) Customers deposit their money with Fleet.
- (2) Fleet invests customers' money for a large return.
- (3) Fleet pays little or no interest to customers.

(4) Customers pay to get their money or information on their money.

Fleet has also cut staffing and resources for its customer service operations. Jeff Smith of Business Week reported that Fleet's CEO, Terrence Murray, aims for "B" retail service to customers instead of "A" service because "A" service is too expensive. This is from a bank CEO who was paid more than \$20 million last year.

Fleet's abuse of power is not limited to excessive bank fees and poor customer service. Fleet and Terrence Murray have a national reputation for their predatory lending practices. Fleet's tremendous expansion during the past two decades has been marked by exploitative and illegal lending practices. In the '80s, Fleet's practices received national attention, with even Alan Greenspan voicing his concern.

The Neighborhood Assistance Corp. was successful in exposing and stopping Fleet's predatory practices. After a relentless, 4½-year campaign by the advocacy group, Fleet committed \$8 billion to affordable lending and settled numerous lawsuits for hundreds of millions of dollars.

As part of the settlement, the Neighborhood Assistance Corp. established a mortgage program that set a national standard for providing access to mortgages to low- and moderate-income home buyers. Thousands of families were able to purchase a home with no down payment, no closing costs, no application fees, and without perfect credit.

Buyers have stabilized once-devastated communities and have proven that given a fair chance, they can own and maintain a home. In addition, the current real estate boom has built wealth in the form of equity for these homeowners.

Fleet had an opportunity to build upon its community initiatives, but after acquiring its major competition, it has reverted to its predatory past, this time with exorbitant fees. Fleet promised that New England would benefit from its BankBoston acquisition. This promise will be kept only with grass-roots community activism to pressure Fleet and persuade regulators and politicians to hold Fleet accountable.

The Massachusetts Legislature and other New England state legislatures need to enact laws to limit these fees. Bank fees need to be based on the cost of providing a service or transaction, not what Fleet is able to get away with as a near monopoly. In addition, state governments should be prohibited from doing business with Fleet and other lenders who do not provide fair and reasonable services to all customers.

The Neighborhood Assistance Corp. has received hundreds of phone calls asking about alternatives to Fleet. Many people want to change banks. Fleet seems to be using its exorbitant fees to rid itself of working people who do not have substantial savings and cannot afford to pay the fees. Fleet's goal is to become a financial services company that caters to high-income customers. Fleet needs to be held accountable and responsive to all of New England's residents.

The Neighborhood Assistance Corp. and the people of New England successfully took on Fleet's predatory lending practices. We can change Fleet's outrageous fees.

Bruce Marks is CEO of the Neighborhood Assistance Corporation of America.