

Activist bringing Fleet fight to N.J.

Former banker wants to 'share the outrage'

By SAM ALI

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Bruce [Marks](#) calls himself a bank terrorist.

And with just cause. Bank executives loathe him. Politicians question his motives. He even makes fellow activists uncomfortable.

[Marks](#), a Boston activist, has been tormenting financial institutions - most notably FleetBoston Financial Corp. - for years with theatrical stunts and bare-knuckle tactics aimed at forcing banks to meet their obligations under the law to the poor.

Now, he's coming to New Jersey to continue his crusade against Fleet-Boston, which just last month agreed to buy Summit Bancorp., the Garden State's largest bank, for \$7 billion.

His mission? It depends on who you talk to. He maintains his group, the Neighborhood Assistance Corp. of America, simply will press its case for lower fees. "We want to share the outrage that New England residents feel towards Fleet with the residents of New Jersey so they know what's coming before it comes," said [Marks](#), a 45-year-old former banker with the Federal Reserve.

Critics argue the group only wants money from the bank to fund its low-income lending program. For the right price, they say, [Marks](#) will quietly go away. That's what prompted Texas Sen. Phil Gramm, chairman of the Senate Banking Committee, to call [Marks](#) an "extortionist" last year for allegedly prying money away from banks to not protest their mergers. "He does not negotiate in a straightforward way for community programs," said FleetBoston spokesman James Mahoney. "The tactics they have used have been disingenuous."

Over the years, [Marks](#) has dressed like Darth Vader at protests and called FleetBoston an "evil empire." He once stormed the Federal Reserve Bank of Boston with hundreds of protesters wearing T-shirts with the word "Wanted" above a picture of FleetBoston Chief Executive Terrance Murray and the word "Loanshark" below.

Other community activists are suspicious of his motives, as well.

New Jersey Citizen Action, the state's largest consumer advocacy group, fears getting shunted aside by outsiders.

What's particularly irksome is that [Marks](#) has declined, so far, to even contact established New Jersey groups, said Phyllis Salowe-Kaye, head of Citizen Action. After all, Citizen Action has pushed banks into pledging \$8.8 billion in loans to residents of low- and moderate-income neighborhoods in the past 15 years.

Citizen Action also has tangled with FleetBoston before, over its 1996 acquisition of NatWest Bank. The group opposed the deal because of the bank's lending record with poor minority homeowners.

It's also prepared to file another challenge with federal regulators opposing the Summit acquisition if the bank doesn't negotiate in good faith an agreement to provide low-income loans, Salowe-Kaye said.

"He has no idea what has gone on in this state with Summit, or what the bar is that we want to hold Fleet to," she said. "That is my problem with an outsider coming into the state and not working with established community organizations."

[Marks](#) doesn't apologize for the way he does business, nor his coming involvement in New Jersey.

"We have the attitude that all bankers are evil and we approach banks with that perspective," he said. "We think we need to be bank terrorists, to have an aggressive advocacy program to confront and terrorize these predators. FleetBoston is anti-consumer and we have every intention of taking on this fight in New Jersey."

[Marks'](#) temperament belies his background in the upscale world of Scarsdale, N.Y., and Greenwich, Conn., where he grew up and even taught tennis at country clubs. He got an MBA at New York University and worked at the Federal Reserve Bank of New York evaluating merger applications for a while.

His activist life began in 1985 with a volunteer job at Boston Hotel Workers Local 26, a notoriously militant union, where he learned organizing and negotiating tactics.

Always flanked by militant protesters, he has turned up at analysts' meetings over the years, picketed press conferences, staged sit-ins, and disrupted speeches.

Under NACA rules, low- and moderate-income borrowers are required to participate in at least five civil actions or protests a year in support of its advocacy programs, in exchange for getting a loan - hence [Marks'](#) ability to mobilize large crowds.

NACA is not your typical consumer advocacy group in other ways, as well. Besides offering counseling and advice to borrowers, it's also one of the nation's largest nonprofit mortgage brokers of loans to the poor. It serves as a middleman, in effect hooking up low-income families with banks that make affordable NACA-style mortgages - fixed-rate 30-year loans with a very competitive interest rate of 7.15 percent. Under the NACA mortgage plan, borrowers pay no fees, no closing costs and don't have to make a down payment.

In turn, NACA gets a fee from bankers for funneling low and moderate income customers to its doorstep - up to \$2,000 for every loan it processes.

Over the past seven years, NACA has brokered close to 10,000 of these home loans to first-time homeowners and low-income borrowers. Under a watershed 10-year, \$3 billion deal it signed with Bank of America last year, NACA is projected to pocket \$60 million for the project.

[Marks](#), who earned \$72,308 in 1997, the most recent year available, also has raised some eyebrows among other housing activists for other reasons.

For example, there's his penchant for signing "no-protest clauses" once he gets monetary commitments from banks to offer NACA-style mortgages. Critics say it amounts to a promise to keep quiet and forego attacking the bank in exchange for the cash.

That's what prompted the attack last year from Gramm, the powerful chairman of the Senate Banking Committee.

FleetBoston long has been a special target for [Marks](#) and other activists, mostly because of a fee structure they claim is one of the costliest in the industry.

In July, Consumer Reports magazine ranked FleetBoston second to last in terms of customer service. Only First Union Corp., the second-largest bank in New Jersey, was lower in the survey.

"Fleet promised New England residents that we would benefit from their BankBoston and other takeovers, but instead, Fleet is charging us fees for virtually every transaction and communication," he said.

Fleet's New Jersey customers must maintain an average daily balance of \$2,000 in a non-interest-bearing account to avoid a \$10 service charge

at their bank. In New York, customers must keep an average balance of \$2,500 to avoid a monthly fee.

Summit, meanwhile, stopped charging customers fees if they maintained an average daily balance of \$99 - a highly successful public relations move aimed at stemming the migration of disgruntled customers from the bank. Once FleetBoston seals its deal with Summit in March 2001, it will be far and away the largest bank in New Jersey, with 537 branches here alone and 21 percent of the market share. Anticipating a barrage of bad publicity, FleetBoston was quick to go on the offensive after it announced plans to buy Princeton-based Summit.

Days after agreeing to buy Summit, FleetBoston, which was named 1999 Corporate Philanthropist of the Year in New Jersey took out full-page ads in most of the state's local newspapers to reassure residents that it plans on being as good a corporate citizen as its predecessor. FleetBoston spokesman Mahoney said Summit customers shouldn't fear the acquisition. Summit Chairman Joseph Semrod, who will remain in charge of the New Jersey operations, will take the lead in setting fees, Mahoney said.

"We expect to continue the same competitive pricing that Summit had in place," he said.

That's not enough to convince [Marks](#), who is girding for a fight that will begin in the coming weeks.

"We have an obligation to let New Jersey residents understand what's coming down the pike," he said.

PHOTO CAPTION: Bruce Marks is coming to New Jersey to battle FleetBoston Financial Corp., which is buying Summit Bancorp., the state's largest bank.