

**Congress of the United States**  
**Washington, D.C. 20515**

April 6, 2023

Frank Holding, Jr.  
Chairman and Chief Executive Officer  
First-Citizens Bank & Trust Company  
239 Fayetteville Street  
Raleigh, NC 27601

Dear Mr. Holding:

As First Citizens Bank & Trust Company finalizes its acquisition of Silicon Valley Bridge Bank, N.A., we are writing to urge you to prioritize community reinvestment and the development of affordable housing infrastructure in Massachusetts.

As you may know, the recent collapse of Silicon Valley Bank (SVB) has given rise to serious concerns on the part of non-profit housing organizations, community reinvestment groups, homebuyers, developers, construction firms, and other stakeholders regarding the sustainability and advancement of affordable housing projects in our state that rely on SVB financing commitments. The fallout from SVB's failure has destabilized multiple industry sectors, including in affordable housing. It is clear that SVB had extensive investments and partnerships in the affordable housing sector that should be continued. In the middle of a worsening affordable housing crisis, it is critical that there is a continuation of these activities under new ownership to avoid the disruption of local affordable housing development pipelines and initiatives.

SVB reports that it has invested and loaned more than \$2 billion over the past two decades –\$1.6 billion in loans directed towards the construction or modernization of affordable housing units nationwide.<sup>1</sup> According to its most recent annual 10-K filing with the Securities and Exchange Commission, SVB's 2022 portfolio included \$1.3 billion in investments pertaining to qualified affordable housing infrastructure.<sup>2</sup> Following its \$900 million acquisition of Boston Private Bank & Trust Company in 2021, SVB, in partnership with various local non-profit housing and community development organizations and government agencies, commenced significant investment activities in Massachusetts in support of the development of affordable housing infrastructure. Just last year, SVB partnered with Massachusetts Housing Investment Corporation to announce a \$75 million initiative designed to expand quality affordable housing and revitalize underserved areas in Massachusetts, Connecticut, and Rhode Island.<sup>3</sup> In particular,

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<sup>1</sup> <https://www.svb.com/about-us/living-our-values/affordable-housing>

<sup>2</sup> <https://commonwealthmagazine.org/economy/silicon-valley-banks-collapse-could-impact-mass-affordable-housing/>

<sup>3</sup> <https://www.mhic.com/NewsArticles/E4C6D588-26D3-4D50-B9FB-2F852224CBE3.pdf>

SVB pledged to provide up to \$75 million in capital through federal and state low-income housing tax credits and debt financing. If these investments are not continued, there may be a serious disruption to the pipeline of affordable housing and community development projects that are critical to low-income households throughout Massachusetts where there is a shortage of more than 190,000 units that are affordable and available to them throughout the state.<sup>4</sup>

In 2021, SVB Financial Group – the parent company of SVB - also announced a proposed 5-year \$11.2 billion community investment plan designed to “build on its long-standing commitment” to finance affordable housing, support small businesses, and reinvest in low and moderate-income communities.<sup>5</sup> This dedicated financial commitment sought to provide additional financial support to low and moderate-income communities in Massachusetts and California through \$5 billion in small business loans; \$4.8 billion in community development loans and investments; \$1.3 billion in residential mortgages to low and moderate-income borrowers and low and moderate-income census tracts; and \$75 million in charitable contributions. Moreover, SVB announced the expansion of its participation in ONE Mortgage and ONE+Boston, key mortgage programs administered by the Massachusetts Housing Partnership and City of Boston, respectively, in support of participating first-time homebuyers – the majority of whom are borrowers of color.<sup>6</sup>

Currently, at least 18 SVB-financed affordable housing developments – consisting of more than 700 homes for low-income residents and nearly 120 homes for extremely low-income residents - are under construction in 10 cities and towns across the Commonwealth. Among these projects is 1599 Columbus Avenue in Boston. This 65-unit development is the product of collaboration between MassHousing, the City of Boston, the Massachusetts Department of Housing and Community Development, and other public and private sector partners; SVB significantly contributed a \$24 million construction loan and also invested via state and federal law income housing tax credits.<sup>7</sup> Importantly, 1599 Columbus Avenue will not only expand housing opportunities for low-income residents but is also essential to the redevelopment of the Jackson Square neighborhood. While 1599 Columbus Avenue and other SVB-financed projects in Massachusetts are collectively supported by \$287 million in state investment and diverse financing sources, their completion will be largely dependent on the fulfillment of the outstanding lending and investment obligations made by SVB.

SVB’s significant commitments have already activated the execution or planning of several statewide affordable housing and community development initiatives. We urge First-Citizens to honor and prioritize the significant affordable housing and community development commitments made by SVB. Through the continuation of these commitments, First Citizens Bank can serve a vital role in our shared efforts to advance the quality of life, economic growth, and revitalization of our most underserved communities.

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<sup>4</sup> National Low Income Housing Coalition, *The Gap Report* (Mar. 2023).

<sup>5</sup> [https://www.svb.com/news/company-news/svb-financial-group-announces-\\$112.2-billion-community-benefits-plan](https://www.svb.com/news/company-news/svb-financial-group-announces-$112.2-billion-community-benefits-plan)

<sup>6</sup> <https://commonwealthmagazine.org/economy/silicon-valley-banks-collapse-could-impact-mass-affordable-housing/>

<sup>7</sup> [https://www.masshousing.com/press/2022-10-25\\_1599-Columbus](https://www.masshousing.com/press/2022-10-25_1599-Columbus)

Specifically, we respectfully urge you to continue the following:

1. Construction loan draws for the 13 state-supported affordable housing developments in which SVB is the construction lender in accordance with the terms of the outstanding construction loans.
2. Fulfillment of all obligations under SVB's executed loan agreements with state quasi-agencies, including the Massachusetts Housing Partnership. This includes contractual interest rate locks and binding commitments to advance funds for permanent multifamily loans.
3. Committed equity installments in the developments in which SVB is an investor in federal Low Income Housing Tax Credits through RBC Capital, Boston Financial, or the Massachusetts Housing Investment Corporation as the tax credit syndicator.
4. Direct bond purchase agreements for tax-exempt private activity bonds for affordable housing development issued by MassHousing or MassDevelopment.

The fulfillment of all these affordable housing commitments as part of the SVB resolution is critically important to the Commonwealth. It will result in sound loans and investments and could help First Citizens fulfill its obligations under the Community Reinvestment Act.

Lastly, we ask that First Citizens Bank assume mortgage loan originations and continue to offer SVB loan products for low- and moderate-income first-time homebuyers in Massachusetts. This includes the ONE Mortgage Program, a 30-year fixed rate loan with a 3 percent down-payment, low fixed interest rates, and no requirement for private mortgage insurance.

We hope that you will see the gravity of this request and maintain the financial commitments that help ensure that the future of affordable housing in Massachusetts remains safe.

If you have any questions regarding this request, please contact staff at (202) 225-8273.

Sincerely,



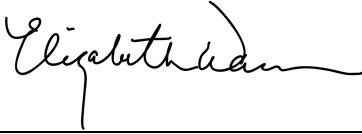
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Stephen F. Lynch  
Member of Congress



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Ayanna S. Pressley  
Member of Congress



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Elizabeth Warren  
United States Senator



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Edward J. Markey  
United States Senator



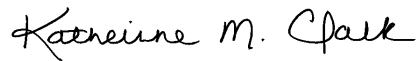
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James P. McGovern  
Member of Congress



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William R. Keating  
Member of Congress



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Katherine M. Clark  
Member of Congress



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Seth Moulton  
Member of Congress



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Lori Trahan  
Member of Congress



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Jake Auchincloss  
Member of Congress