

Compromise reached on S&L branch

By Martha M. Hamilton Washington Post Staff Writer
The Washington Post (1974-Current file); Jul 28, 1977;
ProQuest Historical Newspapers: The Washington Post
pg. D_C_4

Compromise reached on S&L branch

By Martha M. Hamilton
Washington Post Staff Writer

of the way," said Perpetual President
Thomas D. Owen. Action by the

representatives from the area selected
by the branch and from Perpetual.

A coalition of neighborhood organi-
zations and Perpetual Federal Savings
and Loan Association have signed a
"good neighbor" agreement, appar-
ently removing major obstacles to the
opening of a new Perpetual branch of-
fice at 18th and Columbia Road NW.

FHLBB, which must approve the
branch opening, has been delayed be-
cause of objections from the Adams-
Morgan Organization and the Adams-
Morgan and Mount Pleasant Advisory
Neighborhood Commissions.

Opponents of the proposed branch
contended that Perpetual's record of
making loans in the area encouraged
renovation at the expense of long-term
residents because the savings and loan
was not hospitable to loan applications
by poorer residents. Perpetual had de-
fended both its record and motives.

The agreement between Perpetual
and the community groups, the result
of months of negotiations, includes a
promise by Perpetual to provide home
loans for as much as 90 per cent of the
purchase price, a policy expected to
make it easier for less affluent families
to buy homes in the area, which is
changing character rapidly.

Perpetual also agreed to provide
"wraparound" loans for both the cost
of a home and any necessary recon-
struction and to help facilitate loans
for cooperative apartment projects.
Other features were an agreement to
hire bilingual staff for the branch to
accommodate the needs of the area's
concentration of Spanish-speaking
families and to establish a branch ad-
visory committee made up of

"This is extremely historic," said
John Jones, executive director of the
Adams Morgan Organization. "This is
the first time a community has en-
tered into negotiations with a bank to
insure that the best interests of the
community are preserved."

The negotiations led to an agree-
ment which could be a model for other
communities across the nation, said
Jones. He praised the savings and loan
association for its willingness to sit
down and negotiate, and attorney
John Brown, who represented the
community groups, for his work on
the agreement.

The objections to the establishment
of the branch, Perpetual's 11th, and
subsequent negotiations were "born
out of great suspicion on the part of
the community" that was unwar-
ranted, said Owen. Out of the process,
"I think everybody understands each
other a lot more," he said.

Perpetual had been surprised by the
extent of the opposition, he said. Owen
said he had met with community
groups as soon as he signed a contract
for land in the area and within the 10
days he had to decide whether to go
forward with the contract. Hearing no
major objections then, he proceeded,
he said. Later, opposition "mush-
roomed."

In return for Perpetual's agreement
to tailor loan policies to help meet the
needs of the area's relatively less af-
fluent residents and to take other
steps requested by the community, the
neighborhood groups say they will for-
ward a letter to the Federal Home
Loan Bank Board saying that condi-
tions for withdrawing the opposition
to the branch's opening have been met.

"My feeling would be that this
should clear most of the obstacles out