

Adams-Morgan Residents to Monitor Perpetual Federal's New Branch

By Robert F. Levey Washington Post Staff Writer

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After three years of community debate—and with an unusual agreement that allows community groups to monitor its performance—Perpetual Federal Savings and Loan Association opened a branch in Adams-Morgan this month.

The branch is the 11th and newest for Perpetual, the city's largest savings and loan association. The pale red brick and glass building sits on the southwest corner of 18th Street and Columbia Road NW.

Perpetual originally had planned to open the branch in 1976, but an array of community groups fought the financial institution's application before the Federal Home Loan Bank Board.

Opponents charged that Perpetual had a poor record of approving home loans in Adams-Morgan to prospective buyers with low- and moderate-incomes. Thus, opponents predicted, the Perpetual branch would make housing

loans chiefly to speculators—and would indirectly promote “pushouts” of poor people from the largely Spanish-American neighborhood. Perpetual vigorously disputed the charges.

Perpetual's application to open an Adams-Morgan branch was approved after the financial institution agreed to:

- Permit fruit and curio vendors who have traditionally sold their wares on the same corner the bank occupies to continue to do so.

- Establish a branch advisory committee composed of neighborhood residents. If an applicant who had been refused a loan requested it, the committee would have the power to investigate why the application was rejected.

- Hire a bilingual staff at the branch.

- Provide loans that cover up to 90 percent of both the purchase price of a home and its rehabilitation. Critics charged that, in the past, Perpetual limited loans to 70 percent in some cases—thus discriminating against poor people—and would not make

“wraparound” loans that covered both purchase and rehabilitation.

Johnny L. Ward, the 32-year-old manager of the new branch, said in an interview this week that Perpetual has instituted all the provisions except the advisory committee. “And that is in the works,” he said.

Ward said 956 savings accounts were opened at the branch in its first three weeks of business, far above normal for a new inner-city branch. “And 98 percent of the depositors live in this zip code,” Ward said.

Usually, he said, depositors “from as far as Frederick and Fredericksburg open an account during a grand opening just so they can get a gift.” Not only did that not happen in Adams-Morgan, “but no one has closed an account yet,” Ward said.

Ward said he anticipates difficulty “communicating that we're not a bank—we're a savings and loan. They want checking accounts and car loans, and we don't have those.”

Ward added that he has been “a little disappointed” that only four home loan applications have been submitted since the branch opened. “I expected to be swamped,” he said.

About half the depositors at the branch have Spanish surnames, Ward said. He characterized most of the depositors as “small savers. We get the guy who puts in \$20 every payday.”



The new Adams-Morgan branch of Perpetual Federal Savings and Loan Association.

By Ken Fell—The Washington Post

Ward estimated the branch's total assets at \$750,000.

“In general, any time you've got a new office, you can expect problems,” Ward said. “But ours can be dealt with.

Generally, I expect smooth sailing.”

Frank Smith, chairman of the housing committee of the Adams-Morgan Organization and once a vocal opponent of the Perpetual branch, said he

has “been hearing nothing but what I wanted to hear. They're taking (housing loan) applications and they've got people who can speak Spanish. I'm optimistic.”