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## **\$16.5 billion community investment planned**

### ***Bank merger in New York expected to lead to billions of investment in low income communities***

[Reported by Alexander Ehms in Buffalo](#)

30 March 2016 – Buffalo, NY, USA – KeyBank and First Niagara originally entered into a merger agreement back in October. The agreement has now been signed and KeyCorp's acquisition of First Niagara approved by shareholders on Wednesday March 23<sup>rd</sup>. This acquisition will lead to the largest community investment by any single bank in recent history.

KeyCorp originally had intentions of \$12 billion in community investment, but in order to seal the deal the company raised the bar an additional \$4.5 billion. Of this total investment, \$5.8 billion is expected to come directly to the Western New York region.



A total breakdown of this investment would be as follows; \$5 billion in residential mortgage lending, \$2.5 billion in small business lending in low income urban communities. \$9 billion will go toward community development and investment, and another \$3 billion will be put into a product innovation fund that will create new products for low income communities. Finally, KeyCorp will invest \$175 million in philanthropic activities, which includes affordable housing and building technical assistance. These dollar amounts are set to be distributed over the course of five years.

First Niagara currently ranks 9<sup>th</sup> locally in deposits according to the Federal Deposit Insurance Corp. report, with approximately \$450 million in deposits. KeyBank has nearly 1,000 branches stretching from Maine to Alaska and with this acquisition KeyCorp will rank as the 13<sup>th</sup> largest commercial bank in the country.

For more information, click on the following:

<http://www.mcall.com/business/mc-lehigh-valley-investment-from-bank-deal-20160323-story.html>

<http://www.bizjournals.com/buffalo/news/2016/03/18/keycorp-agrees-to-16-5-billion-community.html>