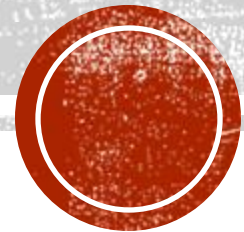


SAVINGS AND TRUST: THE RISE AND BETRAYAL OF THE FREEDMAN'S BANK

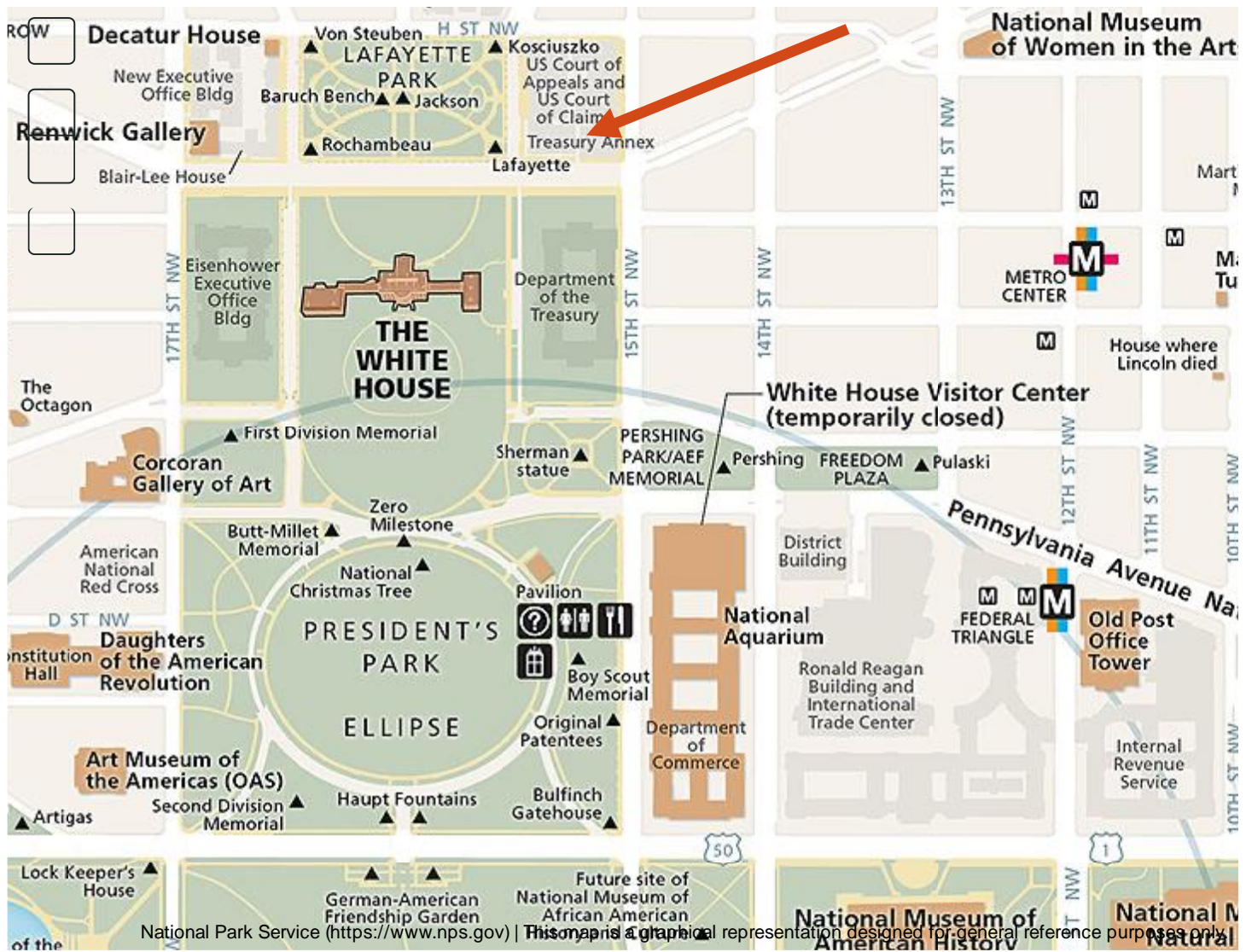
Justene Hill Edwards, Associate Professor of History,
University of Virginia





**Freedman's Bank
Central Office
Washington, DC**



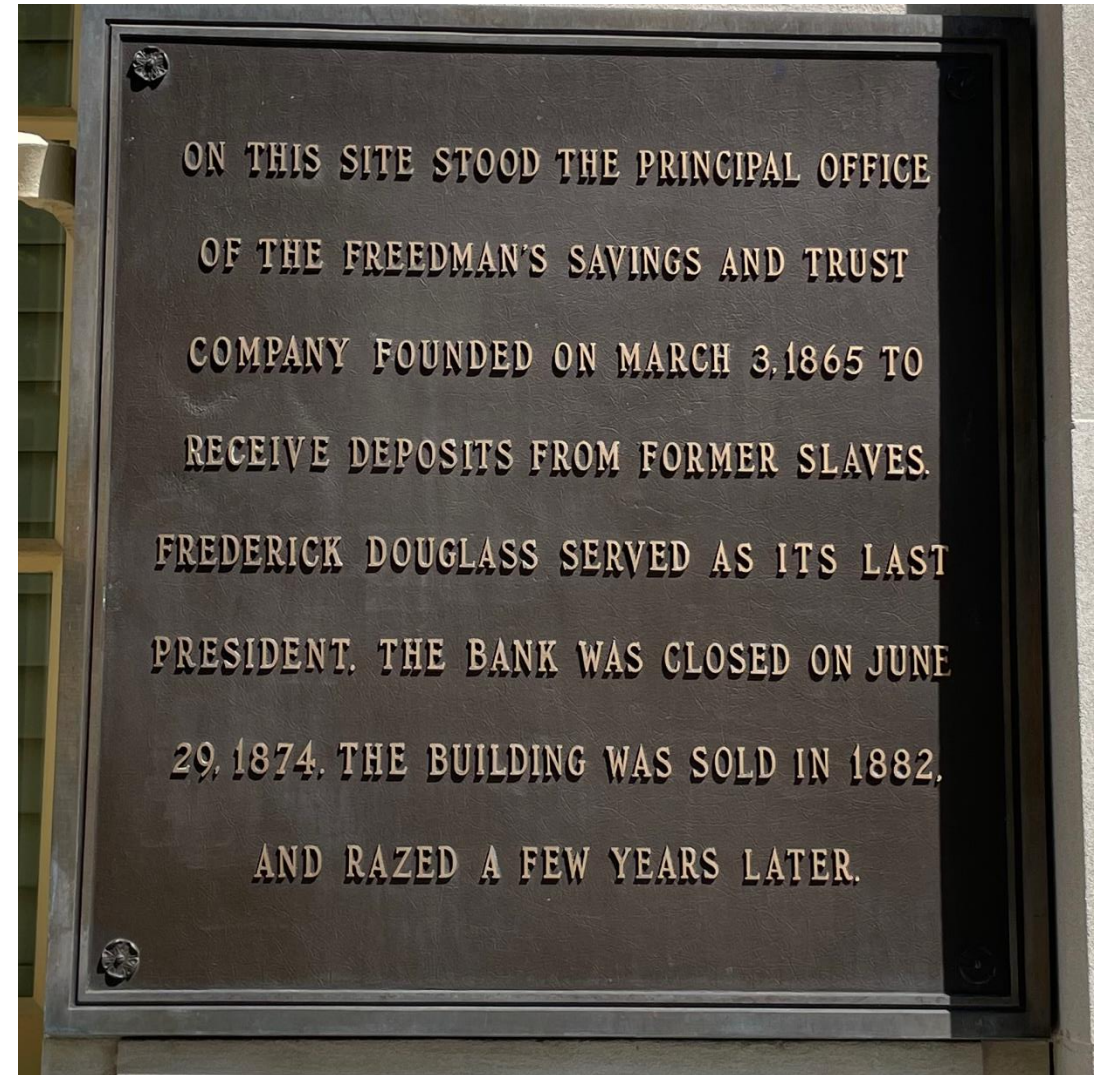


Recent Map of Washington, DC

Freedman's Bank Location — Treasury Annex

National Park Service (<https://www.nps.gov>) | This map is a graphic representation designed for general reference purposes only.



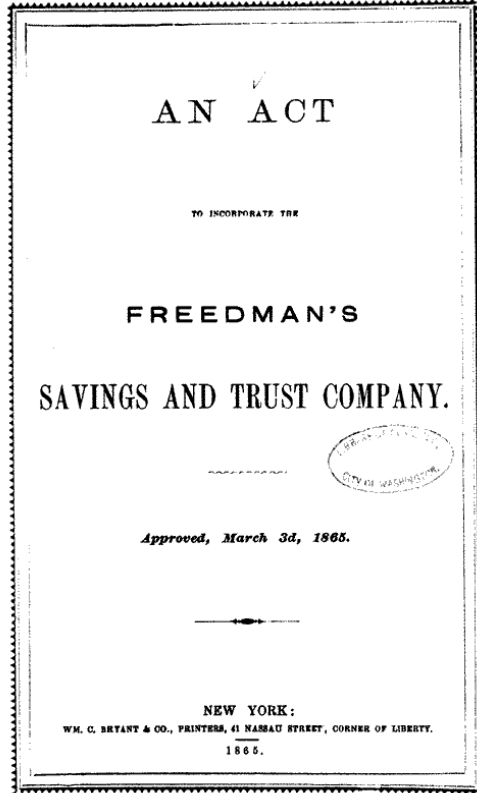




JOHN ALVORD

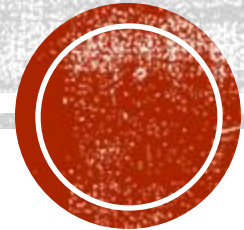
Founder of the
Freedman's Savings and
Trust Company





FREEDMAN'S BANK ACT

MARCH 3,
1865





MILITARY SAVINGS BANKS IN 1864

- New Orleans, Louisiana
- Norfolk, Virginia
- Beaufort, South Carolina

BANK BRANCH OPENINGS

1865-1866

- Norfolk - June 1865
- Washington, DC - August 1865
- Lynchburg - September 1865
- Richmond - October 1865
- Natchez - October 1865
- Vicksburg - December 1865
- Huntsville - December 1865
- Memphis - December 1865
- Savannah - January 1866
- Mobile - January 1866
- New Bern, NC - January 1866
- New Orleans - January 1866
- Charleston - January 1866
- Augusta - March 1866
- Baltimore - March 1866
- Jacksonville - March 1866
- New York - July 1866
- Tallahassee - August 1866
- Beaufort - October 1866



TOTAL AMOUNT OF DEPOSITS: 1866-1871

The following table shows the business of the company for the succeeding years :

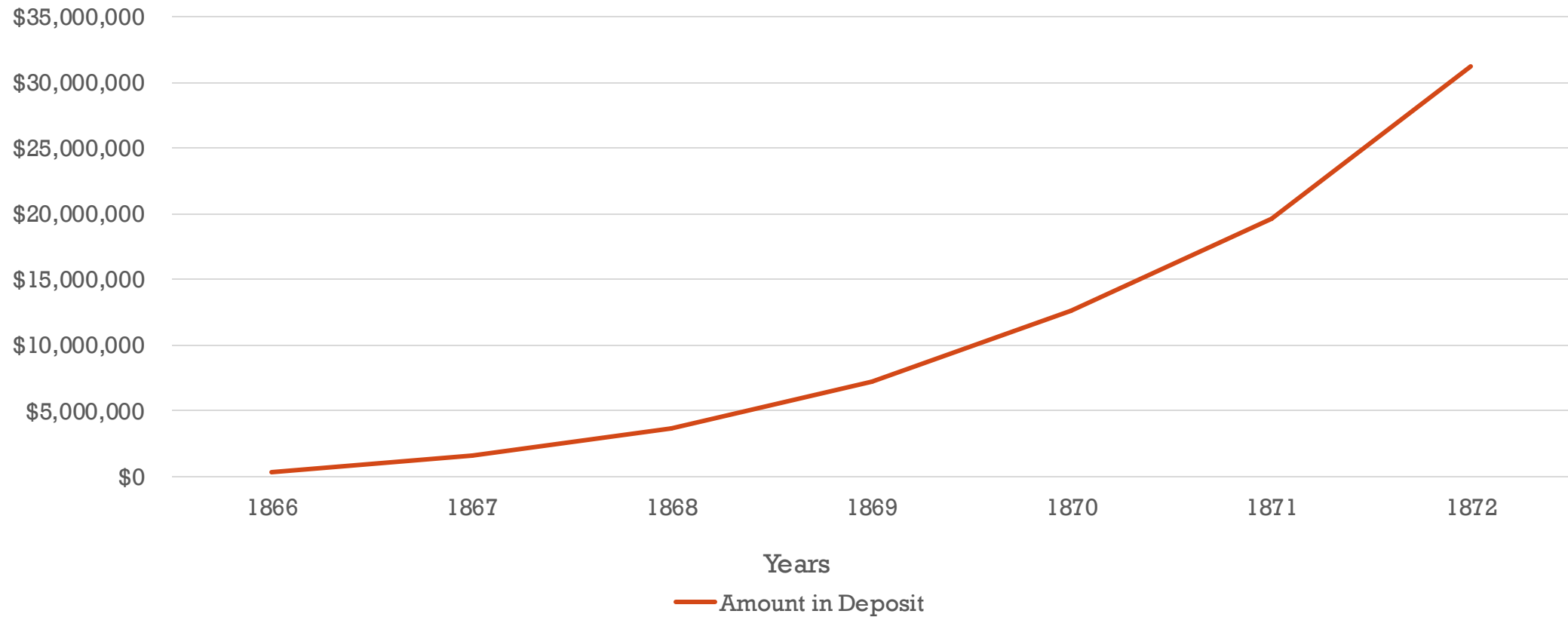
Table showing the relative business of the company for each fiscal year.

For year ending March 1.	Total amount of deposits.	Total amount of drafts.	Balance due depositors.
1866	\$305,167 00	\$105,883 58	\$199,283 42
1867	1,624,853 33	1,258,515 00	366,338 33
1868	3,582,378 36	2,944,079 36	638,299 00
1869	7,257,798 63	6,184,333 32	1,073,465 31
1870	12,605,781 95	10,948,775 20	1,657,006 75
1871	19,952,937 36	17,497,111 25	2,455,836 11

RULES AND REGULATIONS.



FREEDMAN'S BANK — TOTAL DEPOSITS



Signature,

Record for Mrs Ellen Baptiste Lubin

Date and No. of Application, July 2^d 1866 N^o 114

Name of Master, Free

Name of Mistress, —

Plantation, —

Height and Complexion, —

Father or Mother? Married? Yes

Name of Children, Marguerite & Mary Lubin

Regiment and Company, —

Place of Birth, New Orleans La

Residence, Burgundy St. Ursuline's Hospital

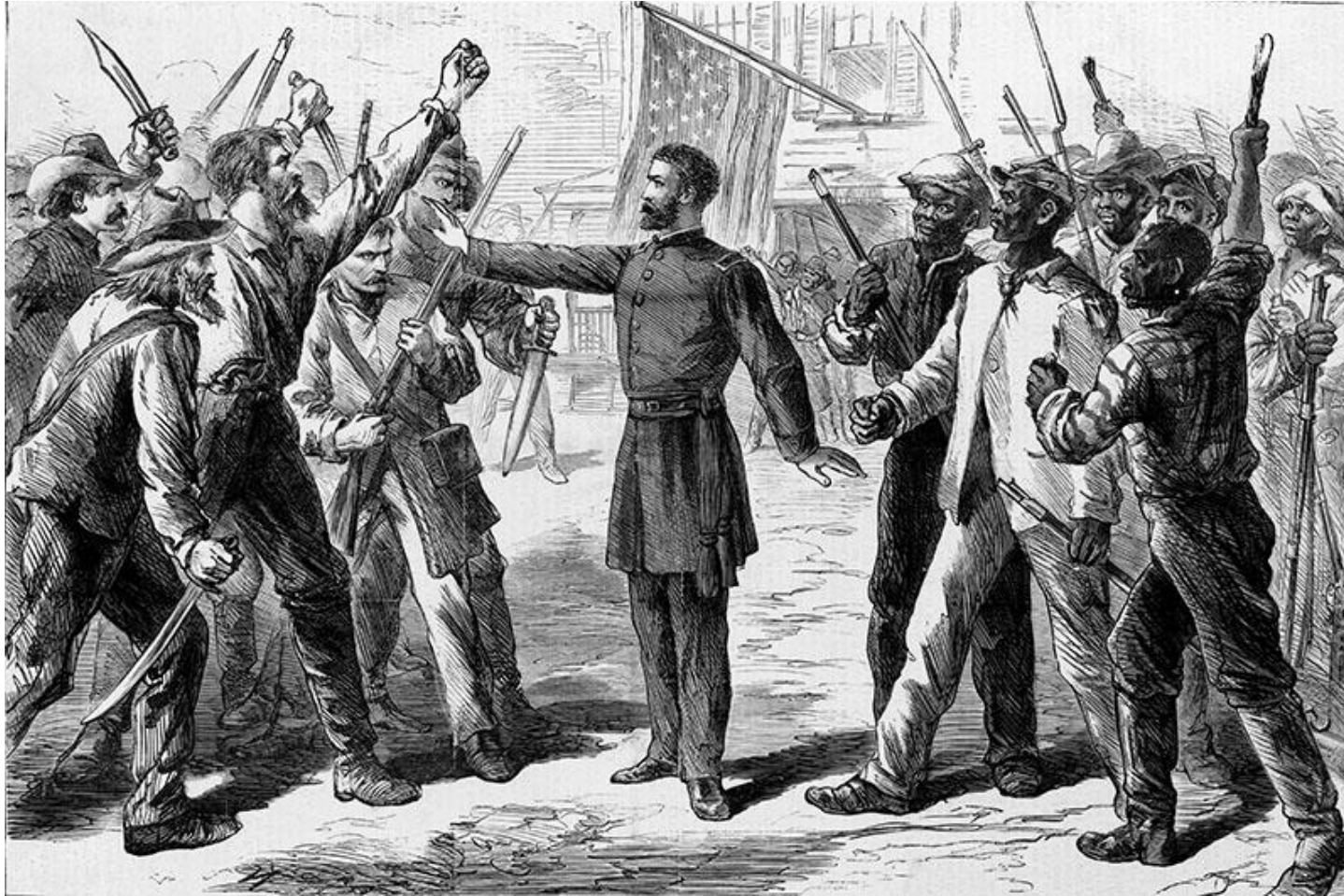
Occupation, Laundress

REMARKS,

Signature,

**FREEDMAN'S BANK
DEPOSITOR RECORD:
MRS. ELLEN
BAPTISTE LUBIN**





- “every deposit earns something, and by this system of compounding interest, the original amount doubles itself every few years.”
- “[a] penny saved is a penny earned”
- “One great and important lesson for you to learn, is the value and power of money.”



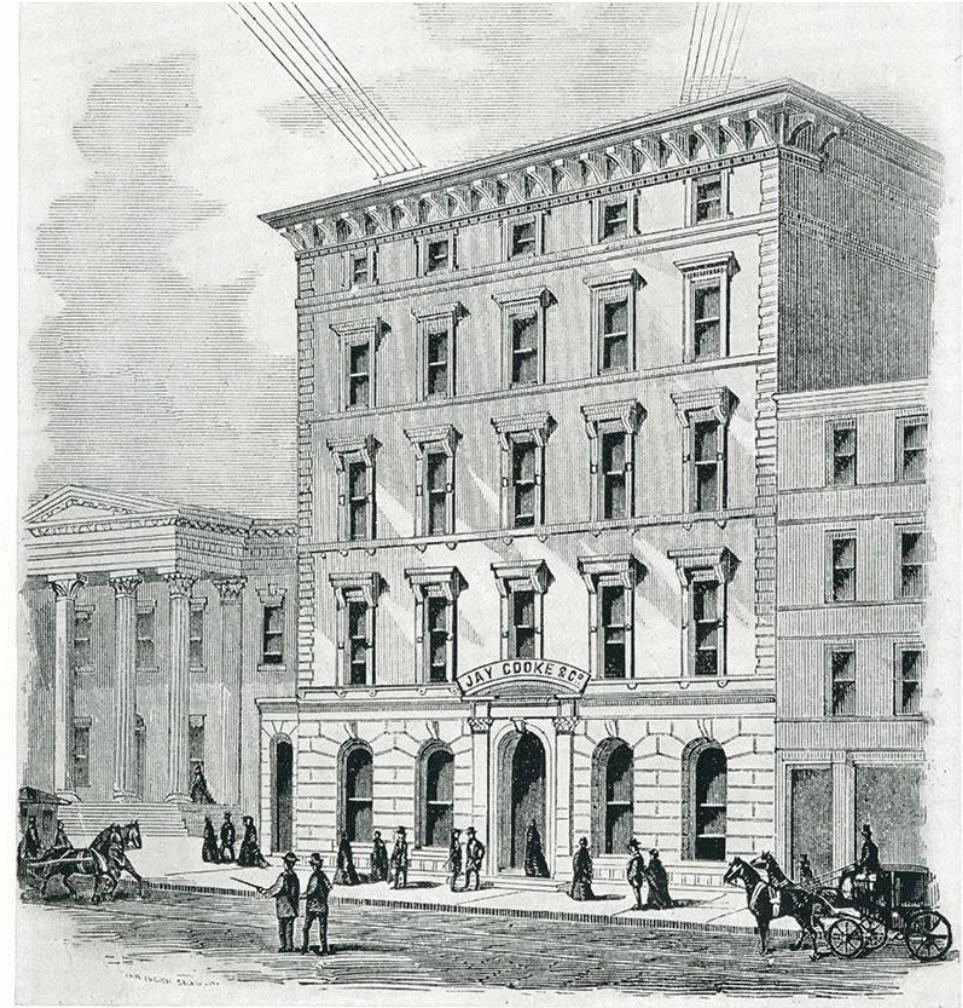


BANK OFFICE MOVED TO DC - 1867

- One of the “most costly and splendid buildings of the time,” in one of the “most desirable and expensive sites in the nation’s capital.”
- The building cost \$260,000, making it one of the most expensive buildings in Washington, DC

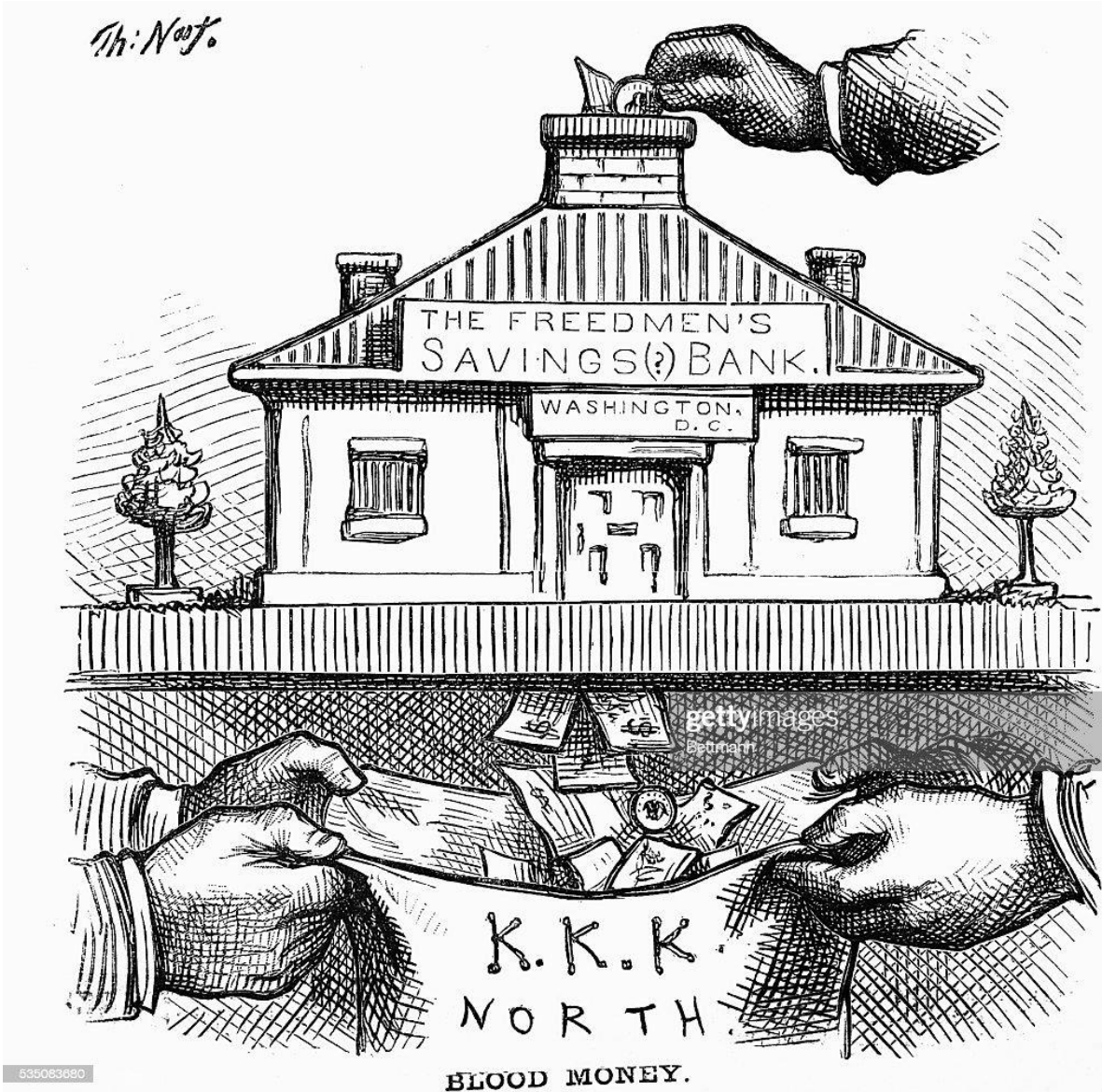


HENRY D. COOKE – FIRST NATIONAL BANK AND JAY COOKE & CO.



BANKING HOUSE OF JAY COOKE AND COMPANY
On South Third Street, adjoining the Girard Bank, Philadelphia





ILLEGAL LENDING

- On April 19, 1867 when the bank's actuary, a man named D.L. Eaton, received a loan for \$1000
 - His loan would reach maturity on April 19, 1875
- Eaton became the bank's actuary on May 2, 1867
- The trustees wanted congressional approval to expand the bank's mission to include the riskier side of financial services: mortgages and business loans
- After gaining Congress's quick approval, the bank began making large, unsecured loans in 1870. One of the largest went to Jay Cooke & Co. for *at least* \$500,000.





FREEDMAN'S BANK EXPANSION

- 37 branches across 17 states
- By 1872, there were approximately 70,000 depositors with deposits totaling more than \$57 million (\$1.5 billion today)





GARDNER, Photographer.

511 7th Street, Washington.

HOWARD UNIVERSITY.

(SOUTH-EAST FRONT.)

**HOWARD
UNIVERSITY
AND THE
FREEDMAN'S
BANK**



Dr. Charles Purvis



John Mercer Langston

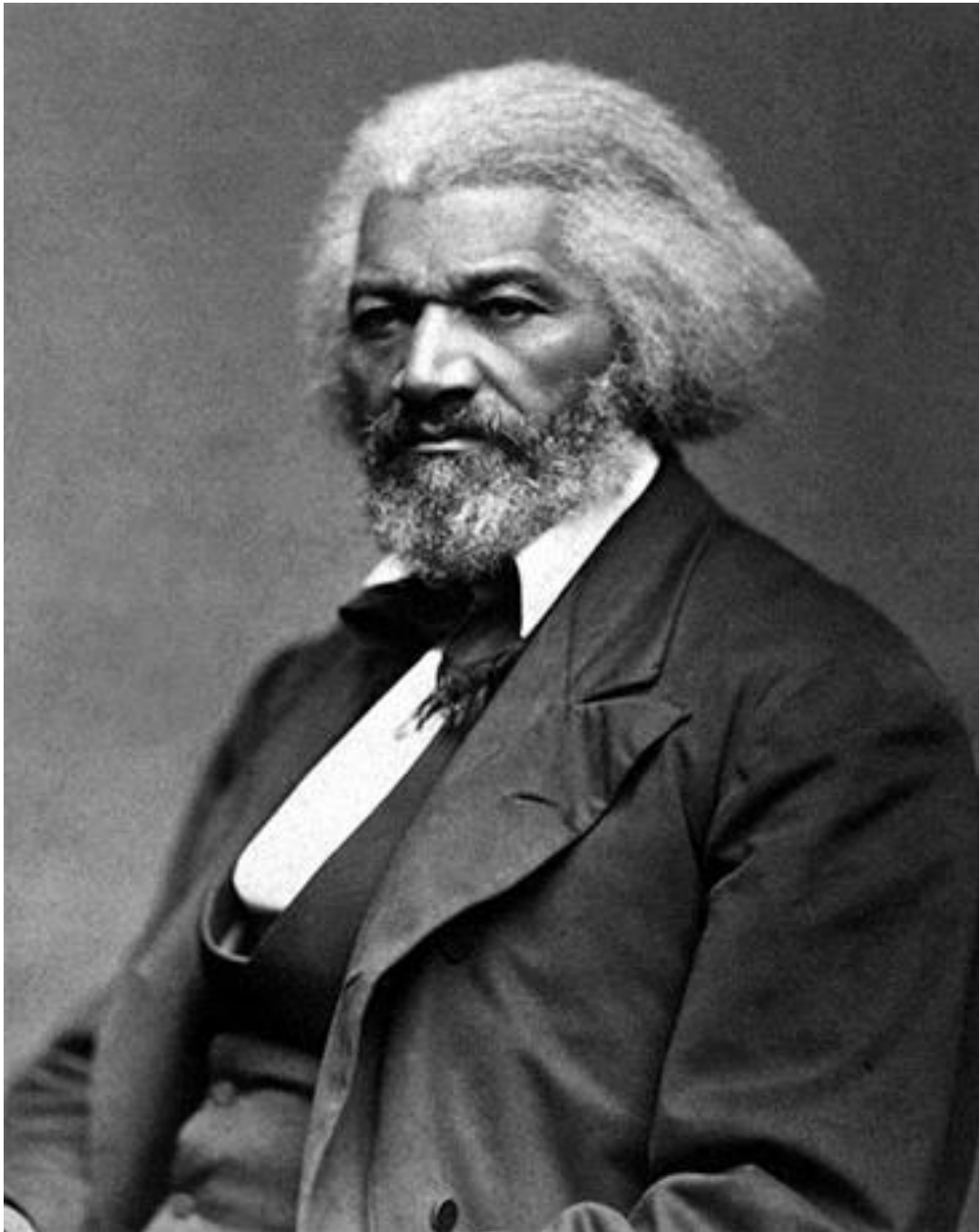




**JAY COOKE &
CO.**

**DECLARED
BANKRUPTCY
IN SEPT. 1873**





FREDERICK DOUGLASS –
LAST FREEDMAN’S
BANK PRESIDENT
IN MARCH 1874

”Some one has said that ‘experience is the best teacher.’ Unfortunately the wisdom acquired in one experience seems not to serve for another and new one...It is not altogether without a feeling of humiliation that I must narrate my connection with the ‘Freedmen's Savings and Trust Company.’”

- *Life and Times of Frederick Douglass* (1881)



REPORT OF THE COMMISSIONERS OF THE FREEDMAN'S
SAVINGS AND TRUST COMPANY.

LETTER

FROM

THE COMMISSIONERS OF THE FREEDMAN'S SAVINGS
AND TRUST COMPANY,

TRANSMITTING,

In compliance with the resolution of December 11, 1874, their report.

DECEMBER 15, 1874.—Referred to the Committee on Banking and Currency and ordered to be printed, together with a letter of the Secretary of the Treasury on the same subject, transmitted May 14, 1874.

OFFICE OF THE COMMISSIONERS OF THE FREEDMAN'S
SAVINGS AND TRUST COMPANY,
Washington, D. C., Dec. 14, 1874.

SIR: In compliance with the resolution of the House of Representatives of the 11th inst. we have the honor to submit the following report:

By virtue of the authority conferred upon them by the 7th section of the act entitled "An act amending the charter of the Freedman's Savings and Trust Company, and for other purposes," approved June 20, 1874, the trustees of said company, on the 1st of July, 1874, selected us as commissioners for the purpose of closing up its affairs, and on the following day their selection was approved by the honorable the Secretary of the Treasury.

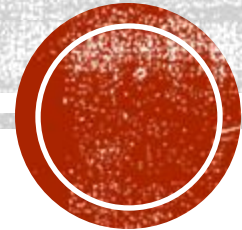
On the 8th and 9th of July we qualified by executing our bond and taking the prescribed oath, and on the morning of the 13th of the same month we entered upon our duties, having first had a full conference with the Secretary of the Treasury, the First Comptroller of the Treasury, and the Comptroller of the Currency, as to the several provisions of the act of June 20, 1874, and our duties and authority in the premises. As the result of this conference, we determined upon the following plan of operations:

I. To deposit all sums collected or received by us in the Treasury of the United States, and to check for all amounts required, whether in the payment of expenses or otherwise.

II. To withdraw all available funds from the several branches, and deposit them in the Treasury.

III. To redeem certain securities held by the Freedman's Savings

**FREEDMAN'S
BANK
CLOSES
JULY 2, 1874**





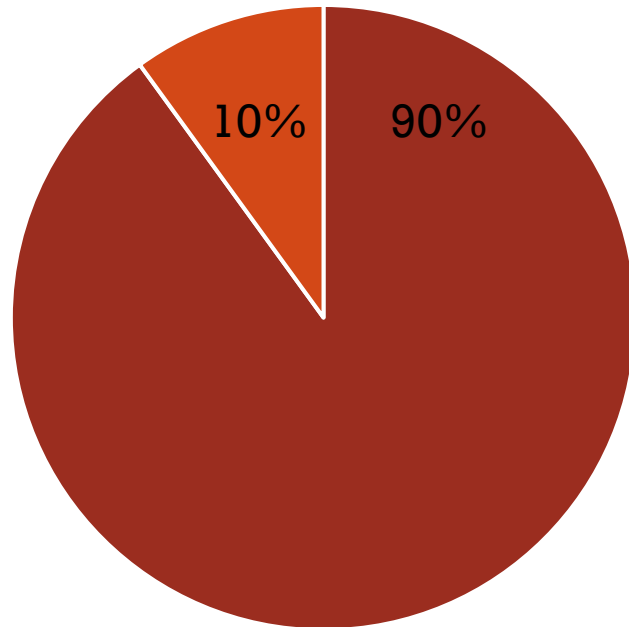
BLANCHE K. BRUCE

- First African American to serve a full term as a U.S. Senator
- Born enslaved in Prince Edward County, Virginia in 1841
- Elected to the U.S. Senate from Mississippi in 1875
- In 1879-1880, he presided over a Congressional investigation into the Freedman's Bank failure



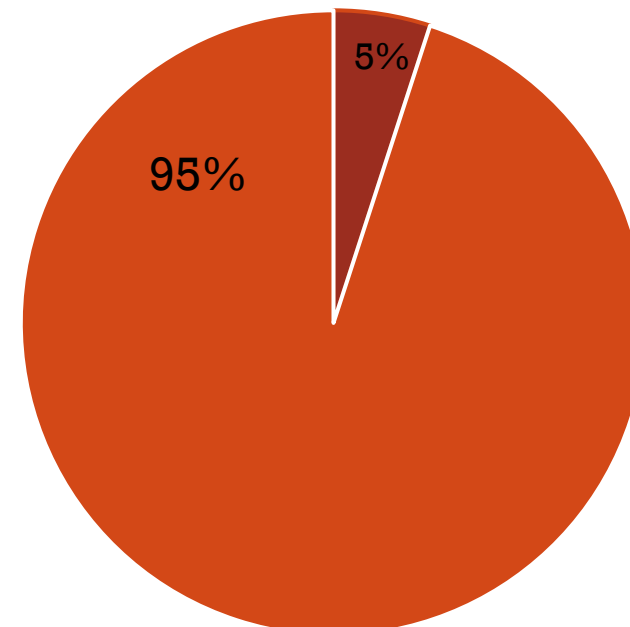
DEPOSITORS AND BORROWERS OF THE FREEDMAN'S BANK

Depositors



■ Black Depositors ■ White Depositors

Borrowers



■ Black Borrowers ■ White Borrowers



STATE OF THE FREEDMAN'S BANK — JULY 1874

- The bank had less than \$50,000 in cash and less than \$400 in bonds in July 1874
- \$3.5 million in outstanding loans as of July 1874
 - Across 1,797 loans and 1,108 individual borrowers
- 83% of the loans had reached their date of maturity (when the loan balance was due) by July 1874
- By July 1874, 95% of the loans remained unpaid





“Not even ten additional years of slavery could have done as much to throttle the thrift of the freedmen as the mismanagement and bankruptcy of the savings bank chartered by the nation for their especial aid.”

W.E.B. DuBois, *The Atlantic Monthly*,
1901



TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY
WASHINGTON

ADDRESS REPLY TO
"COMPTROLLER OF THE CURRENCY"

October 13, 1937.

Mrs. J. B. Metz,
330 W. Pike Street,
Clarkeburg, West Virginia.

Madam:

In response to your letter of October 8, 1937 relative to the Freedman's Savings and Trust Company, you are advised that the company failed in 1874 and in accordance with an Act of Congress June 20, 1874, Commissioners were appointed to wind up its affairs, the Comptroller of the Currency being later designated as sole Commissioner.

Five dividends amounting to 62% were paid on all claims duly approved, as provided by law, and certain dates were fixed, after which no further claims were to be considered, but as funds of the company were still available, Congress reauthorized the payment of the barred claims, and these were paid as approved until the funds became exhausted, and the affairs of the company wound up.

On December 1, 1920, John Skelton Williams, (then Commissioner) reported to the Congress as the law provided, closing with these words, "This may be considered a final report as all funds in hand have been disbursed, and there are no further assets to be collected", consequently, there is nothing now with which to pay any further claims, however meritorious in other respects they might be.

Very truly yours,
GEO. R. MARBLE
GEO. R. MARBLE,
Chief Clerk.

DECLASSIFIED
Authority *NA 3-10-72*
002

330 West Pike Street
Clarkeburg W. Va.
October 15 187.

Marble

RESPECTFULLY REFERRED
FOR ACKNOWLEDGMENT
AND CONSIDERATION
M. M. Metzger
Member of the President

Mr. F. D. Roosevelt
Washington D. C.
Dear Sir

I have in my possession Deposit Book no. 7282 of the National Freedman's saving & trust co. with deposits of various dates from May 22 - 1874 to June 7 - 1873 which shows a balance of \$962-28. The above account is in the name of Susan & Katie Morphy - my mother & Grand mother.

This bank closed after the last deposit and was later to be opened under another name, and was to notify the creditors through the news papers.

We were receiving the Washington Star and Baltimore American but never saw anything about it.

It hurts me to think that my people needed this money for the necessities of life and saw times when they were hungry and hoping for this money and receiving no notice about it, lost it by no fault of their own,

Yours Very Respect
Mrs J B Metz

No. _____

WASHINGTON BRANCH.

Freedman's Savings & Trust

In account with
