

## Loan was proper, banker for Bush nominee says

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St. Petersburg's Joseph Zappala moved quickly Friday to answer questions about his finances that have arisen during confirmation hearings for his nomination to be U.S. ambassador to Spain.

The questions partly centered on the "preferable" terms of a sizable loan that Zappala received from a Florida bank at which he was board member. A bank official said Friday that there was nothing unusual about the loan.

"There's nothing that was done any differently than any other similarly qualified borrower," said Evan Evans, the corporate banking officer in charge of Zappala's account at First Union National Bank of Florida.

Further, said Evans, Zappala served on a 12-member Pinellas County "advisory board" that did not have control over deciding what loans the bank makes. Evans said Zappala quit the board within the last 90 days.

The nominee's disclosure form lists the loan as worth at least \$250,000. He reported that he paid a "prime" rate for the loan, which was a promissory note granted in 1987.

The questions about the loan, which are not expected to derail Zappala's confirmation, surfaced at a Senate Foreign Relations Committee hearing on Thursday.

Committee chairman Claiborne Pell, D-R.I., handed Zappala written questions about the loan at the end of the confirmation hearing. Pell asked the nominee if the "favorable terms" were "the result of your position on the bank's board."

"Is it common practice for the bank to issue loans at prime?" Pell also asked.

Zappala did not respond to the questions at that time, nor did he return a reporter's phone messages. But Friday morning, he called First Union's Evans and had him write a letter explaining the matter, according to Evans.

In an interview, Evans declined to discuss the terms of the loan.

Pell also asked the nominee questions about his relationship with Straight Inc., a controversial drug-treatment organization that Zappala co-founded. Officials at Straight did not return a reporter's phone message.

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### Abstract (Document Summary)

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