

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 050033)

RESOLUTION

Opposing proposals by the federal bank and thrift regulatory agencies to weaken Community Reinvestment Act (CRA) exams and regulations to ensure that banks will abide by their obligations to make loans, investments, branches, and basic banking accounts available to low- and moderate-income communities.

WHEREAS, CRA imposes an affirmative and continual obligation on banks and thrifts to meet the needs of the local communities in which they are chartered; and

WHEREAS, CRA has been instrumental in fighting discrimination and redlining against minority and working class communities; and

WHEREAS, CRA has leveraged more than \$4 trillion in loans and investments for low- and moderate-income communities according to the National Community Reinvestment Coalition; and

WHEREAS, Major studies, including those conducted by the United States Treasury Department, the Federal Reserve Board, and Harvard University, have found that CRA increases home mortgage lending to minority and low- and moderate-income communities and that this lending is profitable; and

WHEREAS, CRA has leveraged a tremendous increase in home mortgage lending to minority and low- and moderate-income borrowers as compared to whites and middle-income borrowers. From 1993 through 2002, home mortgage lending has increased, 79.5% to Blacks, 185.8% to Hispanics, 29.6% to whites, 90.6% to low and moderate-income borrowers, and 51.4% to middle-income borrowers; and

WHEREAS, CRA is indispensable in ensuring that banks and thrifts make branches and affordable checking accounts and banking services available to minority and working class communities. If banks retreat from these communities, the number of high cost payday lenders, check cashers, and predatory mortgage lenders will only increase; and

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WHEREAS, The Bush Administration affirms the importance of an “ownership society” and has set a goal of 5.5 million new minority homeowners by 2010, yet regulatory officials appointed by the Bush Administration are proposing to weaken CRA, one of the most important tools to increase homeownership; therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Council hereby opposes proposals by the federal bank and thrift regulatory agencies to weaken CRA exams and regulations to ensure that banks will abide by their obligations and make loans, investments, branches, and basic banking accounts available to low- and moderate-income communities.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty-fifth of January, 2005.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Patricia Rafferty
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Goode

Sponsored by: Councilmembers Goode, Reynolds Brown, Council President Verna, Councilmembers Blackwell, Rizzo, Miller, Mariano, DiCicco, Tasco, Kenney, Clarke, Ramos and Nutter