

Legislation Text

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Authorizing the Committee on Commerce and Economic Development to hold hearings to review Wachovia's statement of financial reparations pursuant to Bill No. 050615, unanimously passed by City Council and signed into law by the Mayor, and further authorizing the Committee to issue subpoenas to compel the attendance of witnesses and the production of documents and other evidence.

WHEREAS, On December 15, Mayor John Street signed landmark reparations legislation into law that deals with the enslavement of African people and contemporary racial disparities; and

WHEREAS, Wachovia disclosed financial ties to slavery last spring because it held hundreds of millions of dollars in taxpayer money through government contracts for deposits and investments both locally and nationally. And because Wachovia wants to keep those contracts, it had to abide by slavery disclosure laws such as the one passed in Philadelphia last spring; and

WHEREAS, Last summer, Wachovia announced a \$10 million "national partnership in support of African-Americans". The July 28 press release states that "this new community initiative follows Wachovia's June 1 announcement of historical ties to slavery through two predecessor companies" - but with no mention of new fair lending initiatives to address disparities in its current lending activities to African- Americans; and

WHEREAS, Wachovia is a \$500 billion corporation that not only has historical ties to racial discrimination, it has an abysmal track record locally with regard to offering equitable access to the American Dream of small business and home ownership; and

WHEREAS, the National Community Reinvestment Coalition (NCRC) found stark disparities in local lending based on race. NCRC concluded that "when separately analyzing home purchase, home improvement, and refinance loans, racial disparities remain greater than income disparities". African-Americans received less than 20 percent of all home loans - although African-Americans comprised over 40 percent of the city's population; and

WHEREAS, Wachovia only offered 18 percent of its home mortgages to Black people and was found to be three times more likely to deny African-American home purchase loans; and

WHEREAS, The new law requires that by January 1, each city depository, if it has disclosed financial ties to slavery, must provide the City with a statement of financial reparations. The reparations statement shall include a description of any new financial products or programs developed by the depository to address racial disparity in its lending and investment activities; therefore, be it

RESOLVED, That the Council of the City of Philadelphia hereby authorizes the Committee on Commerce and Economic Development to hold hearings to review Wachovia's statement of financial reparations pursuant to Bill No. 050615; and be it

FURTHER RESOLVED, That in furtherance of such an investigation, the Committee is hereby authorized to issue subpoenas as may be necessary or appropriate to compel the attendance of witnesses and the production of documents to the full extent authorized under the Philadelphia Home Rule Charter.

