



Vann Introduces Bill, Demands Banks Be Held Accountable

Historic new legislation will create greater transparency of lending practices of the local banks in NYC neighborhoods

By C. Zawadi Morris

<http://bed-stuy.patch.com/articles/vann-introduces-bill-demands-banks-be-held-accountable>

Councilmembers, housing advocates and other New Yorkers gathered on the steps of City Hall during lunchtime today to call for the passage of new legislation that will create greater transparency within the lending practices of New York City banks.

The bill, Intro 485, or the *Responsibility Banking Act*, would create a ranking system of banks seeking city deposits based on how responsive they are to the credit needs of New York City's neighborhoods, consistent with the federal Community Reinvestment Act.

City Councilmember Al Vann of Bed-Stuy's 36th District, along with Councilmember Domenic Rechia Jr. of Brooklyn's 47th District, sponsored the legislation with the goal of making banks more locally accountable.

"It is important that New York City, as a large-scale banking customer, uses its leverage to hold banks accountable for how they serve all New Yorkers and city neighborhoods," said Vann. "As many homeowners are pursuing mortgage modifications to stay in their homes, countless New Yorkers are searching for affordable housing, and our small businesses are seeking access to credit, it is crucial that our city develops strong partnerships with its depository banks to address those needs."

The current economic crisis has made the issues stark - failing to stop foreclosures on 1-4 family homes, brought about by predatory lending, "predatory equity" lending to large rental buildings, insufficient small-business lending, not opening branches in working-class neighborhoods, and reducing community development lending.

ANHD's *The State of Bank Reinvestment in NYC: 2009* details a significant drop in multi-family and community development lending across the five boroughs.

Additionally, NEDAP's 2010 report, "Paying More for the American Dream," shows that since the onset of the economic crisis, banks have significantly decreased prime refinancing lending in predominantly non-white neighborhoods in New York City, while greatly increasing prime refinance lending in predominantly white neighborhoods.

Intro 485 would require the Department of Finance, in its role on the NYC Banking Commission, to collect important information related to community development activities performed by banks wanting to be city depositories. These would include whether they provide: mortgage loan restructuring for struggling homeowners; financing for the construction of affordable housing; and/or credit and financial services for small businesses, among other criteria.

Co-sponsors of Intro. 485 include the Association for Neighborhood and Housing Development, a membership-organization of 98 neighborhood-based affordable housing groups, the Neighborhood Economic Development Advocacy Project, Pratt Area Community Council, Make the Road New York, Brooklyn Congregations United, New Settlement Apartments, Housing Conservation Coordinators, St. Nicks Alliance, MinKwon Center for Community Action.

"The increased accountability and transparency that would result from this legislation will only help to strengthen banks' commitments and efforts to adequately serve our communities and assist in community development," Vann said.

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