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Title: Substitute resolution supporting the Community Reinvestment Act.

Sponsors: ALD. HAMILTON, ALD. ZIELINSKI, ALD. BAUMAN, ALD. JOHNSON, ALD. BORKOWSKI, ALD. RAINEY, ALD. LEWIS, ALD. STAMPER, ALD. COGGS

Indexes: BANKING, CIVIL RIGHTS

Attachments: 1. October 15 2018 communication from the MMFHC

Date	Ver.	Action By	Action	Result	Tally
10/16/2018	0	COMMON COUNCIL	ASSIGNED TO		
10/29/2018	0	JUDICIARY & LEGISLATION COMMITTEE	SUBSTITUTED	Pass	5:0
10/29/2018	1	JUDICIARY & LEGISLATION COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
11/5/2018	1	COMMON COUNCIL	ADOPTED	Pass	14:0
11/9/2018	1	MAYOR	SIGNED		

181061
SUBSTITUTE 1

ALD. HAMILTON, ZIELINSKI, BAUMAN, JOHNSON, BORKOWSKI, RAINEY, LEWIS, STAMPER, AND COGGS

Substitute resolution supporting the Community Reinvestment Act.

This resolution expresses the Common Council's support for the Community Reinvestment Act and efforts to modernize the law without undermining its goal and intent.

Whereas, The Community Reinvestment Act is a landmark civil rights law enacted on October 22, 1977, to end the practice of redlining by financial institutions where they would draw red lines on maps around neighborhoods where they did not want to offer financial services; and

Whereas, Before the enactment of the Community Reinvestment Act, redlining made it impossible for low- and moderate-income Americans, racial and ethnic minorities and their neighborhoods to access credit services, such as mortgages and business loans, regardless of their qualifications or creditworthiness; and

Whereas, The Community Reinvestment Act states that regulated financial institutions have continuing and affirmative obligations to help meet the credit needs of the local communities in which they are chartered; and

Whereas, The Community Reinvestment Act establishes a regulatory regime for monitoring the level

of lending, investments, and services in low- and moderate-income neighborhoods traditionally underserved by lending institutions; and

Whereas, If a regulatory agency finds a financial institution not serving low- and moderate-income neighborhoods, it can delay or deny that institution's request to merge with another lender, open a branch or expand any of its other services; and

Whereas, A financial institution's Community Reinvestment Act grade can be downgraded if a federal agency uncovers evidence of illegal, abusive or discriminatory lending on its fair lending exams; and

Whereas, Since 1996, according to an analysis of bank lending data by the National Community Reinvestment Coalition, Community Reinvestment Act-covered banks issued more than 25 million small business loans in low- and moderate-income census tracts, totaling more than \$1 trillion, and \$980 billion in community development loans that support affordable housing and economic development projects benefitting low- and moderate-income communities; and

Whereas, Despite the substantial benefits of the Community Reinvestment Act to communities, the full potential of the Act has not been realized because it has not been updated to take into account changes in the banking industry and the economy; and

Whereas, Independent mortgage companies not covered by the Community Reinvestment Act now make up more than 50 percent of the home mortgage loans in America, and financial technology companies not covered by the Act operating via the internet are rapidly increasing their lending; and

Whereas, Notwithstanding the need to modernize the Community Reinvestment Act, the City of Milwaukee has concerns about ideas from some federal regulators that would substantially weaken the law; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council expresses its support for efforts to modernize the Community Reinvestment Act, and opposes any attempts to undermine the law's goal and intent; and

Further Resolved, That the City of Milwaukee opposes regulators' efforts to water down the penalties under the Community Reinvestment Act; and

Further Resolved, That the City of Milwaukee supports a Community Reinvestment Act with a clearly-defined grading system that emphasizes lending, bank branches, fair lending performance, and responsible loan products for working-class families; and, be it

Further Resolved, That the City of Milwaukee supports efforts to hold banks accountable if they fail their Community Reinvestment Act exam, or seek to acquire banks to increase their Community Reinvestment Act grades, and urge agencies to recognize and encourage community benefit agreements and efforts that motivate banks to make more loans, investments, and services available to traditionally-underserved communities.

LRB 172285-1
Kari B. Gipson
10/18/2018

