



Alliance of Californians for Community Empowerment (ACCE)

Testimony: Public Hearing on CRA Modernization

8/17/10

Hello, my name is Debora Beard, and I am one of the tens of thousands of homeowners here in California who is struggling to keep their home out of foreclosure. I am here speaking on behalf of the members of the statewide community group ACCE, the Alliance of Californians for Community Empowerment.

My husband Tommy and I are typical American homeowners. We have lived in our Watts home for over 25 years and our kids grew up there. Tommy has worked as a hospital cook for over 18 years, and I have worked as a teacher assistant at a local school for over 11 years

We at ACCE believe that the Community Reinvestment Act should be revised with an eye towards repairing and restoring neighborhoods that have been devastated by predatory lending and the economic crisis caused by Wall Street's greed.

For over 20 years many ACCE leaders have been working to ensure that good, quality credit --- meaning NOT PREDATORY CREDIT --- is extended to qualified borrowers in our communities. Homeownership and small business creation are two cornerstones for strong, stable communities. And now we are watching as these hard-earned gains are stripped away – gains earned by families often working long hours at low-wage jobs to provide a decent home and a better future for their children.

The Community Reinvestment Act should be revised to make sure that lending institutions provide our communities with equal access to quality fair lending – and address some of the new problems that these same lenders have created.

In other words, CRA must insure that the communities that were impacted by predatory lending are not subjected to a new form of redlining in the name of financial prudence. **We need to make sure that credit is extended in our communities to qualified borrowers.**

Secondly, **something must be done to help the folks that have had their credit destroyed as a result of the predatory lending and the economic crisis brought to us by Wall Street.**

What I'm trying to say, is that it's time for the regulators to look out for MAIN STREET!

In terms of the CRA review process of bank performance:

#1 CRA evaluations must include race and ethnicity -- and not rely just on income evaluations.

#2 The role of community groups in the process must be strengthened. Community Reinvestment Agreements between lending institutions and community organizations should be considered positively in the CRA review and in any exams involving mergers or acquisitions.

#3 Any institution which receives an unsatisfactory rating should be encouraged to partner with local nonprofit community organizations, as part of the corrective plan, to find collaborative strategies to improve community investment.

And finally, #4, an evaluation of the assessment area should provide enough level of detail that even if an institution receives an overall satisfactory or higher rating, geographic areas with inadequate performance should be identified and an improvement plan required before the next review.

And of course, none of this works unless all lending institutions are covered by the law.

I'm glad you have come out to California. But sitting in this Auditorium listening to talking heads is not enough. You need to come out to my neighborhood. I will take you down streets that a year ago were full of families, but are now full of vacant houses. I will take you to visit Millicent "Mama" Hill, an amazing woman who taught in South LA schools for over 30 years until she retired and began to mentor and tutor neighborhood children. She is now a renter in the home that she had owned for years. One more victim of the predatory lenders of Wall Street that were allowed free rein to wreak havoc on our neighborhoods by our so-called government regulators.

It's time for you all to step up. To stand up to the big banks that have done so much damage to working class communities across the country.