



PRESS RELEASE FROM THE CALIFORNIA REINVESTMENT COALITION

For Immediate Release

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Unregulated Bank Consolidation will Hurt Underserved Neighborhoods
Congress Banking Committees Asked to Hold Oversight Hearings

San Francisco, October 15, 2008 – Washington Mutual, Wachovia, Fannie Mae and Freddie Mac all disappeared without public input; the nation's two remaining investment banks have become bank holding companies also without public scrutiny; and Bank of America has been allowed to break the bank monopoly barrier with more than 10 percent of the country's deposits. In the desperation of the economic crisis, Americans have lost a say in the future of their finances, and the few remaining banks have been allowed to grow too big.

In response, the California Reinvestment Coalition (CRC) today asked the chairpersons of the Senate Banking Committee and the House Financial Services Committee to hold oversight hearings on the massive changes in the financial system and their potential to negatively impact neighborhoods, small businesses and home owners.

Corporate greed and deregulation caused the current economic crisis. But continuing deregulation is being condoned in an attempt to solve the crisis. What little regulation of the financial services industry that was left is being ignored in the name of an emergency, leaving American tax payers – who must pay the price for this crisis – with no guarantee that the remaining big banks will fulfill their obligation to meet the credit needs of all communities.

CRC members, who have worked for more than two decades to increase access to fair credit and equal investments in low-income communities and communities of color, are concerned. In their letter to the Congressional Banking Committees, they stated that unregulated bank consolidation will decrease already limited access to credit for minority- and women-owned businesses and nonprofit affordable housing developers in under-served neighborhoods. They also cited concern that the neighborhoods they advocate for, which were once redlined, then called emerging markets, are now being called declining markets and seen as too risky for credit.

The letter asks Congressman Barney Frank and Senator Christopher Dodd to hold oversight hearings immediately after the November elections.

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The California Reinvestment Coalition advocates for the right of low-income communities and communities of color to have fair and equal access to banking and other financial services. CRC has a membership of more than 250 nonprofit organizations and public agencies across the State.