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C O V E R

Center for Community Change

**FAX**

S H E E T

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To: Sarah Rosen, Nat'l Economic Council, The White House

Fax #: 456-2223

Subject: Opposition letter to HR 10

Date: September 23, 1998

Pages: 3, including this cover sheet.

COMMENTS:

Here is a copy of a grassroots sign-on letter that was circulated yesterday to the Senate. It was endorsed by over 800 national and local organizations, as well as by over 30 local public officials. A list of the national organization endorsers is attached.

From the desk of.....

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September 21, 1998

The Honorable  
United States Senate  
Washington, DC 20510

Dear Senator (last name):

The undersigned organizations are writing to urge your opposition to efforts to schedule time on the Senate floor for HR 10, the “financial modernization” bill reported out by the Senate Banking Committee on September 11. In its present form, HR 10 promotes the formation of giant financial conglomerates, but contains virtually nothing to safeguard access to fundamental banking services for consumers and communities. In fact, this bill is totally opposed by virtually every community leader working to revitalize inner city neighborhoods and rural communities.

HR 10 undermines the effectiveness of the Community Reinvestment Act (CRA), the 1977 law that has served as the primary tool for directing much needed small business, small farm, and affordable housing credit into previously underserved urban and rural communities. The bill passed by the Committee makes it easier for banks to shift their assets to insurance, securities, and other affiliates not covered by the CRA. As a result, banks and thrifts will have fewer resources to lend to underserved geographies.

The Committee took a bad bill and made it worse. It deleted a requirement that banks affiliated with securities firms or insurance companies offer “lifeline” or low-cost checking accounts to low-income customers. The Committee bill also weakens extremely modest CRA provisions that were in the House-passed version of the bill, limiting the extent to which CRA would apply to new, uninsured banks created by the bill, and eliminating enforcement provisions for institutions that fail to sustain an adequate record of serving their local communities.

In short, HR 10 does nothing to modernize the laws that protect the vast majority of consumers and communities that are the most vulnerable to the disinvestment forces that the bill promises to unleash. By promoting the concentration of economic power, this bill will hurt your constituents.

The 809 community organizations signing this letter urge you to voice your opposition to this bill, ask the Senate leadership not to schedule floor time for this harmful legislation, and urge you to work with us to defeat any further consideration of HR 10.

**WYOMING**

The Honorable Trudy McCracken, Mayor.

**NATIONAL**

AFL - CIO Housing Investment Trust

Alliance to End Childhood Lead Poisoning

American Planning Association

Center for Community Change

Center for Policy Alternatives

Consumer Federation of America

Corporation for Enterprise Development

Hispanic Association on for Corporate Responsibility (HACR)

Housing Assistance Council

International Brotherhood of Teamsters

International Union of Automobile, Aerospace, and Agriculture Implement Workers/UAW

Lawyer's Committee for Civil Rights

Local Initiatives Support Corporation

NAACP

Ralph Nader

NAHRO

National Alliance to End Homelessness

National American Indian Housing Council

National Association of Affordable Housing Lenders

National Association of Community Action Agencies

National Black Chamber of Commerce

National Coalition for the Homeless

National Community Action Agencies

National Community Reinvestment Coalition

National Congress for Community Economic Development

National Council of La Raza

National Council of State Housing Agencies

National Fair Housing Alliance

National Housing Trust

National League of Cities

National Low Income Housing Coalition

National Neighborhood Coalition

National Neighbors, Inc.

National Organization for Women

National People's Action

National Puerto Rican Coalition

National Trust for Historic Preservation

Neighborhood Reinvestment Corporation

NETWORK: A National Catholic Social Justice Lobby

Rural Housing Coalition

Surface Transportation Policy Project

The Enterprise Foundation

The National Congress of Black Churches

U.S. Catholic Conference

U.S. Conference of Mayors

UNITE