

RESPONSIBLE BANKING ORDINANCES

Rules Committee

May 16, 2012

Currently Enacted Ordinances

1991 – Cleveland

2005 – Philadelphia

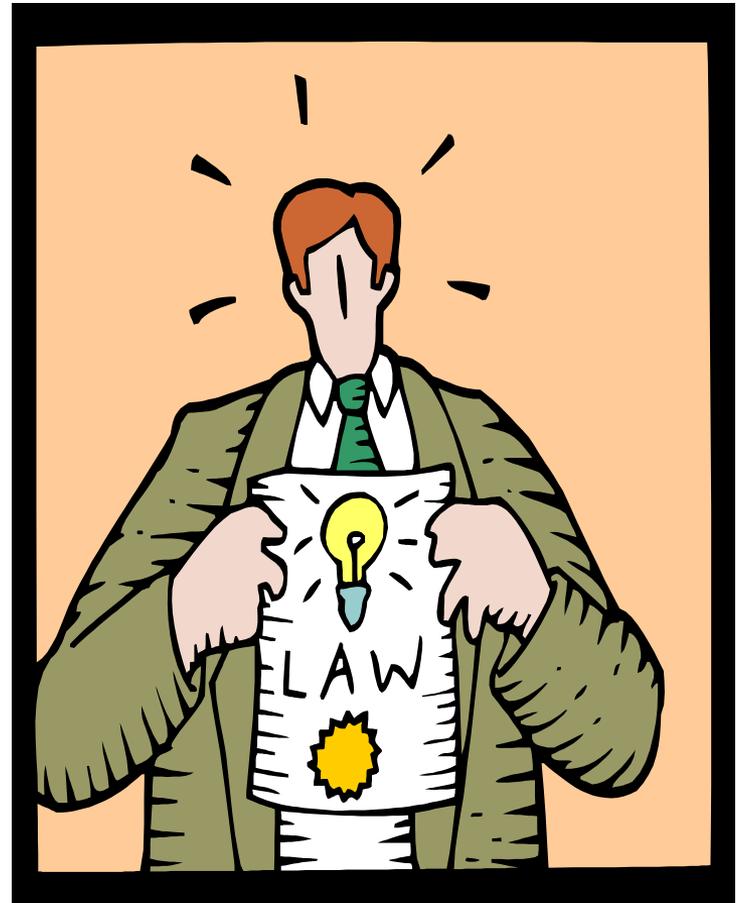
February 2012 – Kansas City, MO

April 2012 – Pittsburgh



Pending Ordinances

- Los Angeles
- New York City
- Boston



National Community Reinvestment Coalition (NCRC) Model Ordinance

- 1. Annual Disclosures**
 - Home and small business lending
 - Branching
 - Deposits
 - Community lending
- 2. Two Year Community Reinvestment Plan**
 - Lending
 - Investing
 - Banking services to communities
- 3. Community Reinvestment Review Committee**
 - Comprised of city officials & community organizations
- 4. Review of reinvestment performance**
 - Every two years reviews CRP
 - Ranks the performance of the banks
 - Makes recommendations as to which institutions the city should use to do its banking
- 5. Prohibits deposits and investments in institutions that make or finance predatory home and non-home loans**
- 6. Affidavit** must be signed that promises adherence to their CRP and pledging to provide responsible, safe & sound loans/financial products

Reinvestment Task Force

- **Partnership (since 1977):**
 - City/county government officials
 - Representatives from lending institutions, community housing and economic development
 - Members of general public
- **Mission:**
 - Advocate for affordable housing
 - Encourage small business and economic development
 - Promote consumer education and fair access to financial services



Proposed Reinvestment Banking Ordinance

1. Annual Data

- Home and small business lending
- Distress loan modifications
- Branches and ATMs
- Community development investments
 - Affordable housing
 - Small business develop.
- Foreclosure information
- Employment diversity/# of jobs
- To be presented before RTF

2. Two Year CRP

- Residential and small business lending including low- & moderate- income communities
- Community development loans and investments
- Branches & deposits
- Consumer loan lending
- Corporate giving

Proposed Reinvestment Banking Ordinance

3. **Community Reinvestment Review Committee (CRRC)**

- **Members:**
 - Council Members (2)
 - Financial Staff (1)
 - Representatives from community-based, business and economic development organizations
- Charged with reviewing the CRP and issue recommendations to Mayor, City Treasurer and Council



Recommendation

Direct the City Attorney to prepare a draft responsible banking ordinance and return to the Rules Committee on June 27