Regional Convening Notes: Oakland, CA

December 18, 2009
Hosted by PolicyLink and Kirwan Institute for the Study of Race and Ethnicity

Presented by

Kirwan Institute for the Study of Race and Ethnicity

The Ohio State University
The Kirwan Institute for the Study of Race and Ethnicity is a university-wide interdisciplinary research institute. We generate and support innovative analyses that improve understanding of the dynamics that underlie racial marginality and undermine full and fair democratic practices throughout Ohio, the United States, and the global community. Responsive to real-world needs, our work informs policies and practices that produce equitable changes in those dynamics.
THE FUTURE OF FAIR HOUSING & FAIR CREDIT

December 18, 2009, 8:30 am to 2:00 pm

Full agenda

8:30 – 9:00 Breakfast

9:00 – 9:15 Introduction, John Powell and Kalima Rose

9:15 – 10:15 The Current state of affairs

  Foreclosures in CA: impact on communities of color
  Reforms advancing through Congress: what’s in and what’s out
  Broader National trends in financing and fair housing
  Advocacy efforts—immediate and sustainable

10:15 – 11:00 Group observations on state of affairs

11:00-11:10 Break

11:10-12:15 What are top tier amendments to serve our communities?

  On Fair Financial options
  On Affirmative Community Investment/Revitalization
  On opportunity-based housing

  How can we strengthen our influence on current proposals?

12:15-1:00 Lunch: Reflections by political strategists

1:00-2:00 Next steps for wrestling reform

2:00 Adjourn for holiday cheer!
**THE FUTURE OF FAIR HOUSING & FAIR CREDIT**

Friday, December 18, 2009
8:30 – 2:00 p.m. PST

Co-hosted by the Kirwan Institute and by PolicyLink
1438 Webster Street, Suite 303
Oakland CA, 94612

**Participants:**

<table>
<thead>
<tr>
<th>Last</th>
<th>First</th>
<th>Title</th>
<th>Organization</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackwell-</td>
<td>Angela</td>
<td>Founder and CEO</td>
<td>PolicyLink</td>
<td>510-663-4303</td>
</tr>
<tr>
<td>Glover</td>
<td></td>
<td></td>
<td><a href="mailto:ashley@policylink.org">ashley@policylink.org</a></td>
<td></td>
</tr>
<tr>
<td>Carter</td>
<td>Vanessa</td>
<td>Data Analyst</td>
<td>USC Program for Environmental and Regional Equity</td>
<td>213-740-9638</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:vbcarter@college.usc.edu">vbcarter@college.usc.edu</a></td>
<td></td>
</tr>
<tr>
<td>Clay</td>
<td>Roger</td>
<td>President</td>
<td>Insight Center for Community Economic Development</td>
<td>510-251-2600 Ext. 115</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:rclay@insightcced.org">rclay@insightcced.org</a></td>
<td></td>
</tr>
<tr>
<td>Fisher</td>
<td>Alan</td>
<td>Executive Director</td>
<td>California Reinvestment Coalition</td>
<td>415-864-3980</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:afisher@calreinvest.org">afisher@calreinvest.org</a></td>
<td></td>
</tr>
<tr>
<td>Griffith</td>
<td>Ann</td>
<td>Senior Program Associate</td>
<td>Urban Strategies Council</td>
<td>510-893-2404 ext. 132</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:anneg@urbanstrategies.org">anneg@urbanstrategies.org</a></td>
<td></td>
</tr>
<tr>
<td>Harris</td>
<td>Mark</td>
<td>Graduate Research Associate</td>
<td>Kirwan Institute</td>
<td>614-688-5429</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:harris.1216@buckeyemail.osu.edu">harris.1216@buckeyemail.osu.edu</a></td>
<td></td>
</tr>
<tr>
<td>Hernandez</td>
<td>Jesus</td>
<td>Former Realtor; PhD Student</td>
<td>UC Davis</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:jchernandez@ucdavis.edu">jchernandez@ucdavis.edu</a></td>
<td></td>
</tr>
<tr>
<td>Hudson</td>
<td>Paul</td>
<td>Chairman/CEO</td>
<td>Broadway Federal Bank</td>
<td>323-556-3222</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:PChudson@broadwayfederalbank.com">PChudson@broadwayfederalbank.com</a></td>
<td></td>
</tr>
<tr>
<td>Jones</td>
<td>Kimberly</td>
<td>Policy Advocate</td>
<td>California Reinvestment Coalition - Los Angeles</td>
<td>415-864-3980</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:kjones@calreinvest.org">kjones@calreinvest.org</a></td>
<td></td>
</tr>
<tr>
<td>Lee</td>
<td>Mary</td>
<td>Associate Director</td>
<td>PolicyLink</td>
<td>213-620-9479</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:mlee@policylink.org">mlee@policylink.org</a></td>
<td></td>
</tr>
<tr>
<td>Leonard</td>
<td>Paul</td>
<td>Director</td>
<td>Center for Responsible Lending - Oakland</td>
<td>510-379-5500 ext 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:paul.leonard@responsiblelending.org">paul.leonard@responsiblelending.org</a></td>
<td></td>
</tr>
<tr>
<td>Lopez</td>
<td>Elias</td>
<td></td>
<td>César E. Chávez Institute</td>
<td></td>
</tr>
</tbody>
</table>
Overview (Kalima Rose, PolicyLink)
During a separate conference the week of December 7, PolicyLink, NAACP, Velazquez Institute, Latino Issues Forum, NCRL, and NEDAP looked at advocating for a law separate from financial reform that would address issues specific to minority communities such as the following:

- cram-down legislation that was removed from the House version of CFPA;
- allowing foreclosed households to rent;
- having resources to help the unemployed to remain housed;
- helping people who qualified for prime loans but got sub-prime loans instead.

The purpose of today’s meeting is to bring neighborhood stabilization and financial issues advocates and experts on the same page and put a California lens on it.

Christy Rogers (Kirwan Institute) offered brief overviews of the conversations that had occurred in other cities through this initiative:
• Detroit: conversation around unemployment
• New Orleans: fixing the strategic planning process, hostility to fair housing
• Seattle: getting residents involved to prevent gentrification; meeting the needs of American Indian populations
• Austin: environment versus economy and equity, and open hostility to fair housing
• Washington, DC: more of a holistic conversation; remittance market segregated from mainstream banking

The current state of affairs
Foreclosures in CA: Impact on Communities of Color (Carolina Reid, Jesus Hernandez)

Carolina Reid
(Note: Carolina Reid’s presence at the meeting and her remarks were on behalf of herself and NOT the Federal Reserve, and the research she shared at the meeting is not for public disclosure.) She is currently working on six research projects, and her remarks reflect what she thinks they say about consumer protection. For loans originated between 2004 and 2006, 1 in 4 new Hispanic homeowners has gone into foreclosure (90+ days delinquent, measured at October 2008, HMDA-defined racial categories), and things are worse in the purchase market than the refinance market. These minority foreclosures are concentrated in historically disadvantaged minority communities. This has also closed off opportunity for those trying to move out of low-income communities.

Recommendations:
– There needs to be significant advocacy around cradle-to-grave advocacy around data on mortgage loan performance and demographic and credit data that is publicly accessible. HMDA data, even since 2004 update, is easy to critique and pull down.
– There is still a significant gap in credit scores between minorities and Whites. She believes this is more reflective of other disparities. At 18 or 19, when people first get credit scores, they go down rapidly because of inexperience and bad choices. For whites it starts going up later, but for minorities it doesn’t really start going up until later, and then not as much. She believes this primarily goes to wealth disparities, but may also have to do with financial education. Credit bureaus, however, are not allowed to track race.
– Lower income Hispanic families are much more likely to have seasonal employment, so there is a disparity in documentation (in addition to brokers not requiring documentation).
– Blacks and Hispanics were about 7-8% more likely to get sub-prime loans even when controlling for traditional credit factors, which is troubling. Ten percent of Blacks and Hispanics with VERY high credit scores STILL got high-cost loans, compared to 2% of whites.
– Mortgage market channel MATTERS – brokers were much more likely to give high-cost loans to minorities, and this is troubling because this is the main face-to-face interaction channel. All groups go to brokers at about the same rates, though. If they came through CRA assessment areas, they were much LESS likely to get high-cost loan products. There has to be a local presence and multiple regulatory regimes.
– Independent mortgage brokers were much more active in emerging suburbs and historically disadvantaged communities, even ones where traditional banking existed. All institutions need to be subject to the same stringent regulatory structure because otherwise there will be a race to the bottom, and that’s what we have seen. A qualitative study is revealing that people went to a broker in their neighborhood, and that’s problematic if these were the bad
guys.

- Federal preemption: federal law should be the floor, not the ceiling, for regulation of these markets. When the OCC preempted stricter state predatory lending laws in 2004, it changed behavior of banks to cause them to be more abusive to consumers (i.e. more poorly underwritten loans).

- States with anti-predatory lending laws have lower foreclosure rates generally, and also loans with higher FICO scores and loan-to-value ratios. Studies have found that stricter laws do not prevent minority access to loans overall. (Strong state laws only shrink the supply of bad credit, not credit as a whole).

- The main concern about the CFPA is that it will become like the EPA and be eviscerated when administrations are less progressive. An alternative may be to create consumer protection mandates in existing institutions. Data shows that regulatory agencies enforced lending differently.

We should regulate based on the product, not the institution.

**Jesus Hernandez**

Placing this process in historical context – this is part of a continuum of racialized market processes. Sub-prime loans have been concentrated in minority communities, but why? The answer contextualizes the fair housing case for fair credit. Hernandez uses Sacramento as a case study.

- Racially restrictive covenants were used in the early part of the 20th century in order to create value.

- Subsequently during the New Deal people who had implemented such discriminatory practices at the local level were appointed to the FHA, and its regulations required restrictive covenants and redlining. So the post-war housing boom was segregated and new suburbs were all-white. At the same time capital flows were pretty much removed from minority communities, and these areas were then targeted for redevelopment that marginalized and displaced people of color in favor of whites and commercial development. These redlined communities are where sub-prime loans took root. Hernandez used HMDA data to determine that this was the case in Sacramento. In Sacramento in 2006, 40% of loan defaults were within one year of origination; 81% within 2 years. In 2007, 94% of defaults occurred within 3 years of origination. These defaults were located primarily in red-lined communities. Loan modifications are not happening in these areas.

- For limited to no-doc loans, 56% nationally, and 70% of loans in Oakland and Stockton went into default.

What are the policy implications of Hernandez’s presentation?

- One of the problems with low-to-moderate income neighborhoods is that loan modifications are not reaching them. What we need is to push to make the loan modifications happen in the most-affected neighborhoods in order for them to stabilize.

- Paul Hudson: the incentives for people to sell high-cost loans need to be changed to that excessive risk is not rewarded. Regulated institutions contract with unregulated institutions in order to do this business, and Congress needs to focus on that aspect, primarily by bringing them under the same regulation.

- Paul Leonard: There are broad systemic problems here, both the pull towards homeownership and the push from capital markets. At some level, Congress is trying. But the credit rating
agencies get paid by their clients; this has not been addressed in House legislation, and nothing has been said about the role of GSEs and the securitization markets. These have been consciously put off until 2011. But we need to address these systemic incentives.

- **Carolina Reid:** In the small market of loan modifications, minorities are more likely to receive them, but there is still no principal reduction. More CDFIs need to serve these neighborhoods and originate more loans for these communities, because they are mission-driven to do so.
- **Preeti Vissa:** we do not want to swing the pendulum back so far that minority communities cannot get access to credit.

**Local Aspirations and Challenges (Anne Griffith, Urban Strategies Council)**

- Land trusts sell the homes but lease the land, which makes home ownership somewhat more affordable for low income people.
- Under NSP only vacant and foreclosed properties can be acquired, and Oakland has imposed a higher mandate of at least 90 days vacant.
- Using a typical NSP strategy of creating “catalytic” areas in concentrating the places where they acquire properties.

Is there a way to get community groups further upstream in order to cut off speculators?

- Griffith suggests this is tied to the issue of funding streams. NSP is pretty proscribed in terms of both funding and targeting.
- Massachusetts has a state level source of funds for neighborhood groups to come in and buy houses on short sale. (Kalima: should we used returned TARP funds for this??)
- In LA, the California Community Foundation is using some its funds in order to move into this market as part of their portfolios.
- The Administration needs to put pressure on servicers to solve problems of principal reduction. Reid says that most servicers won’t even look at proposals from non-profits because they don’t want NSP money. They don’t want to sell properties at 1% below the market rate, when speculators will buy at market rate. Banks don’t want to finance rehab.
- Land banks are helpful in this process (Oakland does not have a land bank).

**Advocacy efforts – immediate and sustainable (Manuel Pastor, University of Southern California)**

- We need regulations, policies, protections...but we need a new balance of power. The crisis shows the excess power of financial elites in our economy.
- How can we move to a broader movement around financial and economic justice? What is the broader vision? What kind of economic system do we want?
- Right now the narrative is “oh, the mortgage system went awry” not “people on Wall Street had so much money that they were forced to speculate with all that excess capital.” Inequality caused one group of wealthy to have so much money they had to speculate, and one group to have so little money they had to borrow, setting the stage for the crisis.
- **3 different types of advocacy to look at:** community development advocacy, policy entrepreneurship, and social movements.
- Social movements are different from coalitions because the latter are thin and issue-focused. The former have a moral vision and a long-term focus.
- What does a good economic system look like, and how does a financial system support it?

**Kalima Rose:** the rapid rise of this issue hasn't allowed for the relationships to be built across the...
economic justice movement that we could. What do people in the room see as ways to build these relationships?

**Framing the Issue of Financial Reform**

**Paul Leonard**

There has been a movement to make this crisis about the failure of individual responsibility and that has been the biggest hindrance – people are caught up in their crises and not able to think about all this in a broader frame. There has been a failure to engage mid-level political intermediaries such as governors and mayors, and the Conference of Mayors has been conspicuously absent from the debate around these issues, despite the devastation visited upon their cities. Legislators from the Central Valley, which has been very hard hit, are more conservative and thus more difficult to organize.

**Alan Fisher**

We have been hampered in this crisis versus the Depression because social movements were much more active in that era versus now. How do we reach across to those organized around health, education, and jobs? TARP is propping up big businesses, but nothing is effectively propping up low income communities to the same extent. We need to find ways to take advantage of social networks and new media.

**Leonard:**

Competition with other issues such as healthcare at the national level and the budget crisis on the state level makes it difficult to get traction on this issue.

**Peter Dreier**

Why do we have to dissolve and reconstitute these issue-based progressive groups? Why can’t the health care people just turn to financial services? How can we learn from the model of HCAN to actually get something done on this issue? Where is the $25 million to be field organizers and buy ads in order to push this issue further than it is now? We should be able to pick up the pieces from the healthcare campaign to back the financial reform campaign.

**Leonard:** There is a national coalition, led by Heather Booth, that is operating on more of a shoestring budget, and it’s an open question whether we can marshal the same type of resources around this issue.

**Dreier:** The public face of the crisis is low-income disadvantaged minorities in the inner city and older suburbs. Healthcare advocates changed the frame of that crisis from the uninsured to those with insurance but who have lousy coverage, making it more “mainstream” – an issue that can affect someone “you” (white people) know. It was a deliberate reframing. Since this issue has been highly racialized and place-specific already, can we change that in order to appeal to more people? The success on a local level has largely been in majority-minority cities, so we need to figure out on a national level how we frame this for moderate Democrats and those who come from white jurisdictions. What is the cut of this crisis by Congressional district, and what is the shape of organizing on the ground in areas where there isn’t the obvious constituency that you may find in deeply urban districts.
john powell: We don't have the same type of legislative history around financial reform that we do around healthcare reform, and we also don't want to stick to a universal frame instead of a targeted approach. Talking about race doesn’t have to sink support for policies.

Kalima: Where you see justice, the race issue is on the table.

Preeti Vissa: How can we re-frame discussions so that we can have proactive, not reactive (i.e. “but it isn’t the fault of the CRA” etc.), conversations? We need the one theme or statement that everyone can understand.

Leonard: Senate structure is a problem; many conservatives still think CRA and the GSEs are the problem. We’re losing the framing message, despite the Federal Reserve having our backs empirically.

Fisher: We need to move this frame beyond its being a housing crisis to its being an economic crisis. SBA lending collapsed, and this is about fraudulent and discriminatory lending practices. This ties into credit cards and many aspects of the economy.

Roger Clay
I’d like to make three points
(1) Pastor's paper on advocacy and powell's paper on targeted universalism point the way forward. We need to figure out how to strategize over the long-term rather than the short-term. The only thing that will work in the long term is changing the system but this kind of change isn't really being strategized effectively. It takes longer than a 5-10 year time frame to change issues that are based on moral frameworks that go back a century or more.
(2) We talk about housing and health care as though they are entirely different but we have to figure out what's common in each of our approaches.. The difference between this issue and healthcare or education is that in those cases everyone “thinks” they know what the problem is – that isn’t really the case with financial reform.
(3) Analysis is different from communication. We need to figure out what we want and what's the best way to get it done – this means that we may not need to talk about race [outside this group], but about whatever it is that helps us achieve those goals.

Paul Hudson: We bounce around, talking about time frame, issue framing, constituencies, legislation, but how do I focus? All this work showing how bad it is...I know how bad it is. What are the three or four structural changes that we have to make?

Dreier: we need to agree upon 3-5 structural reforms we want to make and then we can strategize from that perspective. What are the short-term things you can get in the next 2 years, and what will take 5+ years?

Analysis is needed of the lobbying power of the “enemy” – its power, focus, key players, weaknesses and strengths. You (Kirwan) are missing an “opposition research” paper. All your research is on the problem, but not the industry – it’s strengths, weaknesses, targets, budgets, internal divisions that could be exploited, etc.
Reforms advancing through Congress and Administration: what’s in and what’s out (Alan Fisher, California Reinvestment Coalition)

Alan Fisher

(1) Reagan-Bush-Clinton-Bush stripping of New Deal protections from financial greed and speculation.
(2) Straight up fraud.

Regulators didn’t see consumer protection as their mandate. Banks were their clients. Our groups have been shouting about this for 10 years. 17 agencies had overview, but none have consumer protection as their core responsibility. Thus the proposed CFPA.

Key issues:
- CRA modernization
- Bankruptcy loan modifications. The vote in the House against cram-down is a huge setback, but it keeps getting killed and coming back, so...there might be hope. Big banks don’t want to see a bankruptcy ‘cascade’ into credit cards, etc.
- Cantwell-McCain legislation would re-introduce Glass-Steagall barriers in banking.
- 4 financial institutions have 60% of deposits in California (BoA, Wells Fargo, etc.) – this concentration of capital is a major issue. As institutions have gotten larger, their responsiveness to local conditions has shrunk. Next year as many as 400 community banks could be dissolved by FDIC, so what does this mean for community banking and financial consolidation?
- Runs through point-by-point +/- of CFPA as it stands now (see handout). Big issues: (1) exemptions; (2) preemption; (3) need for products and delivery. In sum: Consumer protection is good, but we also need affirmatively promoted, fair products that are delivered to neighborhoods that need them. The concern is that CFPA will cause credit products for moderate income people to disappear without strong CRA enforcement of a mandate to serve these communities and that access to

Dreier: the point about exempting banks under $10B from examination is more subtle – they would be exempt from primary examination and enforcement by the CFPA, but not from rule-making authority. The critical point of the CFPA is that it has rule-making authority, and its power is in that, examination and enforcement. The Senate bill seems stronger, but that depends on concessions that will have to be made to moderate Democrats.

Fisher: Frank and Waters are thinking about introducing CRA modernization separate from its incorporation into the CFPA.

Leonard: Preemption is not bad because there has not been a significant rollback of the authority of states to regulate financial companies, which was possible under some of the amendments.

Clay: CRA is not the only leverage system: we need to rethink mortgages, the federal guarantee, what is the nature of affirmative housing goals. The GSEs played an “important, mixed, and confusing role” in the crisis.”

Q: Government-sponsored enterprises (Fannie and Freddie) – CAP has formed the left flank in thinking about this issue, who else is thinking about their structure?
A: Congress has not really thought through the GSEs so there is no one really leading on this issue in the House or Senate. The CAP working group (Leonard is a part) released a paper last week that moves beyond principles to specific priorities but this isn’t a finished project. It says there probably need to be a federal guarantee to newly chartered institutions with mortgage-backed securities to ensure liquidity and safety; and there needs to be much tighter regulation of private label securities.

Upcoming political opportunities (Paul Leonard):
- Foreclosures are not going away, and they will hit more middle-class and white borrowers
- The next round of bank profits and bonuses (people hate the banks, but this has yet to be translated into legislative change)
- Unemployment stays up

Q: Has there been any analysis about where the next wave of foreclosures will be relative to Congressional districts? This would be done with ARMs, delinquencies, unemployment data.
A: This has been done in some limited way, and it is still correlated with Sunbelt states such as Florida, California, Arizona, Nevada, and high-cost areas.

PolicyLink convened a Black-Latino summit prior to Katrina and now those groups have stated their willingness to work together on some major issues in financial reform as they relate to racial justice.

How are “heavy lifting” groups already working with these constituencies on reform?
- In Washington CRL works closely with civil rights groups (NCLR, NCCR, NAACP, etc.) and they have a tremendous impact not just with minority caucuses but with others (Congressional Progressive Caucus?). How do we replicate this at the state level, like in CA?
- In terms of CA, it has been much more challenging to figure out how to work with groups either on California issues or national issues. Organizations are fragmented, not statewide, more diffuse.
- John Powell says there needs to be better communication with the base about the importance of issues like cram-down and then it won't die so easily in the House and Senate next time. We haven't made the case on financial reform. There needs to be a 2-pager that makes the case for the importance of financial reform to communities on the ground. Then this needs to be linked to 2-3 critical Congressional issues that we deem important.
- A small working group should be formed to make this happen.
- The Greenlining Institute usually has community groups with them when they lobby, and it's important to make the economic case, not just the moral case.
- A link needs to be built to Americans for Financial Reform

Need for Data
- We need to figure out what data we need and how to get it – in terms of legislation or other avenues.
- Transparency Act just passed that says all their data must be transparent and accessible. It is frustrating working at the Federal Reserve not to have access to loan performance data. The privacy issues can be accessed in the same way that the Census does (data centers, IRB safeguards). A major flaw is that there is no publicly available foreclosure data. There may already be a working group on the data issue. Primary contact people would be Patricia McCoy,
Anthony Pennington, et al. (UNC, CRL)

- We need to end dual housing and dual credit systems in the same way that we eliminated previous dual education systems because they hinder access to opportunity.
- We need to expand the type of data we collect under the CRA.

“Affirmative action” for credit & changing incentives for providing credit

- Paul Hudson addresses issue of “affirmative action for credit.” He says we should say what the 5 things are that would make an affirmative impact on access to credit. Universal regulation is one of these, so that everyone is brought into the system and can’t work outside of it.
- Lower cost or help for first-generation homeowners.
- All the increased pricing of products for poor people is the issue of risk – how can we turn this around?
- This needs to move to an issue of how can we create an affirmative obligation to serve low- to moderate-income communities for banks that receive help or regulation from the government.
- Bankers and government officials don’t think there is a such thing as “dual credit,” they think it's all rationally based on risk, so this is a new conversation to him.
- Another of these may be localism and the role of CDFIs.
- CDFIs have done tremendous work in New Orleans, and now they are helping not just with mortgages, but with helping DBEs qualify for public contracts.
- Can there be some sort of incentives for opening up more local branches, such as loosening of some FDIC limits?
- We should think about things like how insurance salesmen are compensated – they get a commission so long as the policy is still active – can we adapt that to loans so that there is a disincentive to make bad loans?
- What is the role of real estate agents in this issue? We really need to take a hard look at the type of loans that realtors have access to in order to get their clients into housing. We need to not just give financial training to prospective homebuyers, but to real estate agents so they know what they are getting their clients into.
- We need to find other disincentives beyond mergers, such as FDIC premiums or other things in order to leverage banks. Linking good performance to getting government business.
- Percentage structure creates some bad incentives versus fee structure in financial transactions.
- Many good alternatives exist, but they can never really ramp up to compete with private industry.
- There need to be more points where the community can have input into the regulatory process.
- We always need to be clear what the purpose of public input would be, and not have the process be an end in and of itself.
- We need to talk about wages. People are un- or under-banked because they don’t have any money. This dovetails with rising inequality.

How can groups participate effectively in the short term?
Immediate next steps: Everything will be publicly available by the end of January. Then we will try to move to follow-up grants that explore the local projects that have emerged from these conversations.

Priority List:
• Universal product regulation
• Lower-cost products (or affirmative supplements) to compensate for intergenerational wealth exclusion
• Explicit progress goals for fair credit market
• Incentives for fair/sustainable/inclusive local banking/lending presence and loans to low-income communities
• Data
• Commissions for long-term loan performance (like insurance policy)
• Good banking performance linked to gov’t business
• Link good products to income for realtors and builders
• “Spirit of CRA” in new/reform legislation
• Effective mechanisms for public input and review