



Legislation Details (With Text)

File #:	Res 0621-2004	Version:	*	Name:	Federal Community Revitalization Program
Type:	Resolution	Status:	Filed	In control:	Committee on Economic Development
On agenda:	10/13/2004				
Enactment date:		Enactment #:			
Title:	Resolution calling upon the Federal Deposit Insurance Corporation and the Office of Thrift Supervision to eliminate proposals which would result in reducing the obligations of smaller banks in participation in the Federal Community Revitalization Program.				
Sponsors:					
Indexes:					
Attachments:					

Date	Ver.	Action By	Action	Result
10/13/2004	*	City Council	Introduced by Council	
10/13/2004	*	City Council	Referred to Comm by Council	
12/31/2005	*	City Council	Filed (End of Session)	

Res. No. 621

Resolution calling upon the Federal Deposit Insurance Corporation and the Office of Thrift Supervision to eliminate proposals which would result in reducing the obligations of smaller banks in participation in the Federal Community Revitalization Program.

By Council Members Comrie, Fidler, Gennaro, James, Jennings, Liu, Nelson, Sanders, Seabrook, Martinez and Monserrate

Whereas, In 1977, The United States Congress enacted the Community Reinvestment Act to encourage federally insured banks, thrifts, national banks, state-chartered commercial banks and savings banks to help meet the credit needs of their entire communities, including low and moderate income communities, through safe and sound lending practices; and

Whereas, Through the Community Reinvestment Act, Congress required that regulated financial institutions must demonstrate that their deposit facilities serve the convenience and needs of the communities in which they are chartered to do business, and that the convenience and needs of communities include the need for credit as well as deposit services; and

Whereas, The Community Reinvestment Act has proven to be a social and economic benefit for communities in need, making over one and a half trillion dollars available to developers and non-profit groups to build affordable housing and medical clinics in underserved communities; and

Whereas, The Federal Deposit Insurance Corporation and the Office of Thrift Supervision are proposing revisions to federal regulations that implement the Community Reinvestment Act; and

Whereas, The Office of Thrift Supervision oversees the Savings and Loan institutions in the United States; and

Whereas, The Federal Deposit Insurance Corporation oversees state banks in regards to compliance with the Community Reinvestment Act; and

Whereas, The proposed changes to the Community Reinvestment Act would change the definition of “small bank” to raise the asset size threshold from two hundred fifty million dollars to one billion dollars, regardless of any affiliation with another financial institution; and

Whereas, The proposed changes to the Community Reinvestment Act would add a community development activity criterion to the streamlined evaluation method for small banks with assets greater than two hundred and fifty million dollars and up to one billion dollars; and

Whereas, The proposed changes to the Community Reinvestment Act would expand the definition of “community development” to encompass a broader range of activities in rural areas; and

Whereas, Such changes in the Community Reinvestment Act would mean a less stringent examination for a large number of banks nationwide; and

Whereas, The adoption of weaker Community Reinvestment Act examination rules could signal a de-emphasis of efforts to push bank credit availability into low and moderate income and minority urban communities and would result in a drastic reduction in data and analysis available to judge how financial

institutions are meeting the credit needs of all areas of their communities; and

Whereas, The effective enforcement and compliance of the Community Reinvestment Act plays a critical role in the review of merger applications filed by Banks; and

Whereas, The data generated by the Community Reinvestment Act has been used by community activists to oppose or support bank mergers; and

Whereas, The comment period for the rules changes to the Community Reinvestment Act have been extended until October 20, 2004; now therefore, be it

Resolved, That the Council of the City of New York calls upon the Federal Deposit Insurance Corporation and the Office of Thrift Supervision to eliminate proposals, which would result in reducing the obligations of smaller banks in participation in the Federal Community Revitalization Program.

1588/CH/10/07/04