



1918 UNIVERSITY AVENUE, 2ND FLOOR BERKELEY, CA 94704  
PHONE: (510) 926-4000 FAX: (510) 926-4010 http://www.greenlining.org

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**Executive Staff:**

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Samuel S. Kang, Legal Counsel  
Braelan Murray, Media Director  
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Héctor J. Preciado, Health Policy Director  
Chris Vaeth, Director of Special Projects

December 16, 2008

**Expanding the Scope of CRA and SBA:  
Proposals that Address the Needs of Main St.**

Dear Ms. Kim,

The Greenlining Institute appreciates the opportunity to present our views and recommendations with the Presidential economic transition team. As mentioned during the call, Greenlining has met with Congressman Barney Frank, as well as federal regulators and proposed expanding CRA to include race/ethnicity specific performance evaluations in a variety of arenas, including small business lending, supplier diversity, philanthropy, and management diversity (see attached letter to Barney Frank).

Additionally, Greenlining has met with leaders from the Congressional Hispanic, Black, and Asian Pacific American Caucuses to discuss the expansion of the SBA. We will be scheduling follow up meetings with each caucus leader, as well as with leaders of the major financial institutions such as US Bank and Wells Fargo. We will make sure to provide you with any proposals that we draft as a result of these meetings.

You may be interested to know that the Greenlining Institute has invited Secretary of the Treasury Appointee Geithner to be the keynote speaker for Greenlining's 16<sup>th</sup> Annual Minority Business and Economic Development Conference set for April 3, 2009 at the Cathedral (Center at Cathedral Plaza, 555 West Temple Street, Downtown Los Angeles.) This conference will be attended by over a thousand minority business and community leaders and is sponsored by all of the major financial institutions. (see attached letter to Secretary Geithner).

As representatives of the 22 million people of color in the state of California, we are proud to have the opportunity to present you with our views and to continue to advocate for policies that reflect the needs of all Americans, including those living on Main St., Cesar Chavez St., and Martin Luther King Blvd. We look forward to our continued discussions.

Sincerely,

  
Orson Aguilar  
Incoming Executive Director

  
Robert Gnaizda  
General Counsel

  
Preeti Vissa  
Community Reinvestment  
Program Manager



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Chris Vaeth, Director of Special Projects

December 11, 2008

Congressman Barney Frank  
2252 Rayburn H.O.B.  
Washington, DC 20515-2104

**Encouraging Bank Regulators to Consider Minorities under CRA:  
Proposed Legislation**

Dear Barney,

As we discussed at our meeting with you on November 18, 2008, Federal Reserve Chairman Alan Greenspan refused to ever look at data relating to race and ethnicity during any mergers or acquisitions and led the effort by the other banking regulators to ignore race and ethnicity during CRA exams.

On December 9, 2008, we discussed with the Chairman of the Federal Reserve his taking the lead in reversing Alan Greenspan's "colorblind" approach to lending, investments and services. Chairman Bernanke informed us that he believed that present CRA legislation prevented him from evaluating bank performances in the context of lending, services and investments to our nation's 110 million minorities.

However, we were very gratified to learn that unlike Chairman Greenspan, he did not oppose legislation that would give the banking regulators the authority to evaluate CRA performance in the context of race and ethnicity and/or require them to do so. Please note, that even when the regulators have data by race and ethnicity, as they do for home lending, they rarely use it even when there are major disparities between home lending and minority populations.

We would like to discuss with you a two-pronged approach. First, a request by the House Financial Services Committee to each of the federal regulators to gather data by race and ethnicity in three areas where they do not gather it. The basis would be that it might be useful in crafting legislation. Second, proposed legislation that would require the banking regulators to gather such data and to publicly report on such data.

Reg B

We have previously discussed with you on July 16<sup>th</sup> and at the Reg B hearing on July 17<sup>th</sup>, the absence of any data by race and ethnicity for small business lending and you are considering this for 2009 in the context of revising Reg B.



### Management Diversity

In 1992 the Federal Reserve Bank of Boston did a study demonstrating that diversity in upper management and management related to the “safety and soundness” of the institution. We would like to urge that you request all four federal regulators to gather such information for management and senior management by categories and by race, ethnicity and gender in preparation for possible legislation. In 2006, GAO did a study demonstrating the lack of diversity in bank management but it was not sufficiently comprehensive as to be a value in individual CRA exams, mergers or acquisitions, or even to fully evaluate the extent of the problem.

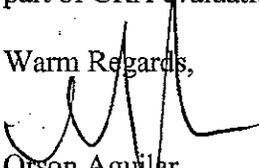
### Supplier Diversity

Virtually all major banks maintain data on their supplier diversity contracts by race, ethnicity and gender but this has never been gathered by any regulator. We would urge that the regulators be requested to gather such data and report to Congress on this data. In addition, we would like to urge legislation that would enable the regulators to use such data in evaluating, for example, inner-city CRA investments.

### CRA Philanthropic Investments

Lastly, with rare exceptions, leveraged philanthropic commitments by financial institutions for underserved communities are ignored for both CRA exams and merger analyses. We would urge, particularly during this deep recession, that financial institution expertise and inner-city leveraged opportunities be maximized by requesting all of the regulators to gather such data and provide details, including by race and ethnicity of the non-profits assisted and the neighborhoods assisted. We also believe it would be appropriate, via legislation, to require such data to be a part of CRA evaluations and merger acquisition analysis.

Warm Regards,

  
Orson Aguilar  
Incoming Executive Director

  
Robert Gnaizda  
General Counsel

  
Preeti Vissa  
Community Reinvestment  
Program Manager

Cc: Senator Chris Dodd, Chairman Ben Bernanke, Comptroller John Dugan, Chairwoman Sheila Bair, Timothy Geithner, Congresswoman Barbara Lee, Congresswoman Nydia Velázquez, Congressman Mike Honda, Speaker Nancy Pelosi, CEOs of Top 5 Banks



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December 1, 2008

Timothy Geithner  
President  
Federal Reserve Bank of New York  
33 Liberty St  
New York, NY 10045

**Invitation to Speak at Major Main St. Minority Economic  
Development Conference April 3, 2009 in L.A.**

Dear Mr. Geithner,

Congratulations on being nominated to be our new Secretary of the Treasury.

Greenlining Institute is our nation's largest multi-ethnic coalition focused on banking issues, the mortgage foreclosure crisis, small business lending and economic development. We have met with two of your mentors and predecessors while they were Secretary of the Treasury—Messers Rubin and Summers. We also met with Secretary of the Treasury O'Neill and have continuously since 1992 met at least once a year with Federal Reserve Chairman Greenspan and now with Federal Reserve Chairman Bernanke on issues of concern to Main St., including our nation's 110 million minorities and 5 million minority-owned businesses.

We have just returned from meetings in D.C. with Barney Frank, Speaker Pelosi, the chairs of the three minority Congressional legislative caucuses and John Dugan, Sheila Bair, and Federal Reserve Governors.

We will be in Washington, D.C. in February to meet with Congressional leaders and key federal banking regulators on a myriad of issues affecting Main St. including mortgage foreclosures, advancing the credit needs of small businesses and expanding the coverage and effectiveness of CRA.

We would appreciate an opportunity to meet with you at this time along with a number of Main St. members of our coalition. This includes the Chair of the U.S. Hispanic Chamber, the former chair of the National Black Chamber of Commerce, major Asian American business leaders and leaders from mega-Black churches and community service groups.

Because of your importance in carrying out the President's objectives, we would like to set a date that is most convenient for you in February, before setting up our meetings with key Congressional leaders and



banking regulators. We will call your office within two weeks to work out a mutually convenient date.

**Keynote Speaker at Greenlining's 16<sup>th</sup> Annual Economic Development Conference**

Greenlining will be holding its 16<sup>th</sup> Annual Minority Economic Development and Homeownership Conference in Los Angeles on April 3<sup>rd</sup> at Cathedral Plaza (555 West Temple Street, Downtown Los Angeles.) The theme is The New Economic Order and Corporate Responsibility. We would like to invite you to be a keynote speaker. Our confirmed speakers include Richard Davis the Chairman and CEO of U.S. Bancorp, Sheila Bair the Chair of the FDIC and Randall Stephenson the CEO of AT&T. In the recent past Alan Greenspan and Ben Bernanke, as well as the CEOs of Wells Fargo, BofA, Merrill Lynch and Citigroup have been keynote speakers.

Greenlining expects, based upon last year's event attended by over forty corporations and 1,100 community leaders, similar, if not more, participation for 2009 due to the enthusiasm and interest in the Obama new economic order. Our conference will be on April 3<sup>rd</sup> in downtown Los Angeles and you could speak at either the lunch or dinner.

Major financial institutions participating in this event include BofA, Wells Fargo, Citigroup, JP Morgan Chase, HSBC, Comerica Bank, U.S. Bancorp, Union Bank, and Bank of the West. Also participating will be many Fortune 200 corporations such as Verizon, AT&T, PG&E, and Sempra.

**Background on Greenlining**

Greenlining presently has over \$3 trillion dollars in CRA agreements with more than a dozen major financial institutions and meets on a regular basis with the senior management and CEOs of virtually all significant financial institutions that do business in California and works closely with Janet Yellen the San Francisco Federal Reserve Board president.

Greenlining for more than fifteen years has been a strong voice for the African American, Latino and Asian American homeowner, consumer, and business organizations of America. We look forward to meeting with you in February and your being a keynote speaker at our conference on April 3<sup>rd</sup>.

Sincerely,

Orson Aguilar  
Incoming Executive Director

Robert Gnaizda  
General Counsel