

Community Reinvestment Act Joint Public Hearing, August 12, 2010
Individual Presentation: Clifton Berry

[Applause]

Clifton Berry:

Hello my name is Clifton Berry. I'm here as a private citizen, and I've worked in financial services since 1979 in various sectors.

While tens of millions of Americans remain outside our regulated banking system, we have had massive consolidation of regulated depositories in the United States during the 33 years since the Community Reinvestment Act became law. And ten financial institutions in the United States now control 75 percent of the country's total banking assets. This suggests that the CRA Regulation has not been effective in influencing regulated deposits or even meeting the needs of a large proportion of the American people for access to financial services. Rather, these Americans as a market segment have been ceded to predatory providers of financial services and products. My written comments have been submitted and they address the following areas: Geographic coverage, affiliate activities, small business and consumer lending, access to banking services, and ratings and incentives.

I would summarize my written comments as follows: You should change the CRA to focus on individual consumers versus communities. You should change the focus on access for individual consumers to financial services and products via delivery systems appropriate to targeted consumer segments. You should change the CRA to focus on the achievement of market share targets among the unbanked and the under banked in the given institution CRA assessment area. You should change the CRA to require individual institutions to establish written business plans for achieving market share among the unbanked and the under banked. You should change the CRA to base ratings and performance evaluations on performance against written business plans for achieving market share goals among the unbanked and the under banked. You should change the CRA to require the collection of data on the disposition of non-mortgage loan applications similar to the regimen used in the Home Mortgage Disclosure Act. You should change the CRA to subject institutions failing to meet market share targets among the unbanked and the under banked to a higher degree of regulatory supervision. You should change the CRA to include incentives for top performers, such as rights of first refusal for the acquisition of banking assets and the acquisition of banking assets on favorable terms. You should change the CRA to reduce the value of community based activities for CRA rating and evaluation purposes over time in favor of meeting market share targets among the unbanked and the under banked and mainstreaming the market segments. Thank you very much.