

Community Reinvestment Act Joint Public Hearing, August 12, 2010
Individual Presentations: Hedy Ratner

[Applause]

[Pause]

Hedy Ratner:

Good afternoon. I'm Hedy Ratner with the Women's Business Development Center and thank you for this opportunity to present the issues so important to the communities in your region. My particular interest as a Co-President of the Women's Business Development Center is on the growth of women and minority on businesses. My organization, the Women's Business Development Center in collaboration with other minority and women's business organizations support the National Coalition, the Woodstock Institute and the Illinois Community Investment Coalition's recommendations on the need for new CRA legislation. Our organization has a continuing commitment to investment in low and moderate income families, businesses and neighborhoods through business development and specifically efforts to provide desperately needed access to credit in these communities. We provide counseling, training, financial assistance, strategic planning, and we are the oldest and largest women's business assistance center in the country, helping over 60,000 women and minorities develop, sustain and grow their businesses. Many of the community groups talked about collecting data on the basis of race. I want to be sure that we're talking about race and gender because that is a critical issue for all of us in our women's business community. The recommendations that we are making is that the community we invest in net must be modernized to be effective in this decade, in this millennium, in this economic environment. This can best be done from more appropriate new legislation rather than through regulatory change. Most of us have come up with very similar recommendations. I will elaborate just briefly.

Expanding the scope of CRA to include other financial institutions: Credit card companies, mortgage companies and brokers, insurance companies, securities companies, and mainstream credit unions. Financial institution should invest where they do business. Assessment areas should be defined as any state, metropolitan area, or rural county with that institution maintains a retail office or as represented by agents. Improve compliance incentives and ensure investment obligations are applied consistently. Improve ratings transparency and expand and weight the ratings to more appropriately reflect compliance with CRA, as well as safety and soundness. Increase opportunities for public comments, for mergers and acquisitions to ensure that the community continues to be served and our voices are heard by the acquiring financial institution. Improve the CRA's services tests, banks should disclose and regulators should consider information on account holders and accounts. And especially from my perspective, expand small business data disclosure requirements to include race, ethnicity, and the gender of our borrowers. And to increase the focus and reward financial institutions that provide products and services that stabilize communities with activities that create jobs, provide financial education and fuel economic growth. This is a very timely window of opportunity. Our organizations and hundreds of community and economic development organizations agree that the CRA act needs to be expanded and modernized.