

Community Reinvestment Act Joint Public Hearing, August 12, 2010
Individual Presentation: Kevin Jackson

[Applause]

Kevin Jackson:

Good afternoon. Welcome to Chicago. I am Kevin Jackson with the Chicago Rehab Network. I've been the director for the last 15 years. The Network is the Midwest's largest coalition of CDCs and housing advocacy organizations. It was founded in 1977 coterminous with passage of CRA, and we were involved with the late gale Cincotta and others in setting up the neighborhood lending programs here in Chicago that ran through the '80s and just recently, in this era, fell apart. And that's where there was this large community engagement, in fact, people have been asking for in terms of working with financial institutions and reviewing what really fits appropriately at the local level.

I'll summarize my comments here, because I know you've been hearing a lot. And I want to cut right to the chase. An important consideration in your deliberations today about reforming CRA regulations should include a local accountability to local communities which remains fundamental with our experience with what works and should receive a special weighting in your review of regulatory reform. That special weighting translates into our recommendations for new consideration in the highest regard be placed on innovative and sustained efforts for community development lending.

Community development lending should be an independent test for CRA. In particular, we recommend increased accounting in four areas: One, dealing with foreclosures with particular weight given for effective disposition of REO properties, not including demolition, however; and programs that keep owners in their homes. Two, lending to multifamily rental development with particular weight given for properties with three or more bedrooms to serve families. Three, lending through preservation of existing rental housing that leverages and safeguard our public investments with particular weighting for the investments that transfer the public assets to preservation purchasers. And, four, supporting the capacity of nonprofit mission governed organizations, the CDCs that are locally or constituent-based that represent the best on-the-ground link for sustainable neighborhoods. Focusing on community development lending in these four direct ways will upgrade CRA and reinforce the success of investing in low and moderate communities. Such a focus recaptures the aim and purpose of CRA: to extend credit and investment to build people's lives.

[Pause]

Kevin Jackson:

Over the last decade, the real estate market and investment practices required oversight. And the lack of such has harmed families, communities, and the larger economy. The impact on our communities and to low and moderate income households of color have been akin to a football game without any referees. We need government to, if not level the playing field, to at least

shine a light on what is working in community development and what is not. The high cost of not getting this done right leads to displacement and disinvestment. Thank you.