

From: Madeline Gerwick
Subject: CRA Regulations Hearings

Comments:

Submitted on 2010-08-25 17:03
Submitted by anonymous user: [76.22.2.112]

Submitted values are:

Submit your comment letter to bank regulators:
Body (please personalize the bracketed areas to ensure your letter is not overlooked):
My name is Madeline Gerwick.

Good affordable credit is essential to the health of our nation's neighborhoods. Financial institutions must be held accountable to participate in the real economy by offering quality loans and community investments. Thank you for initiating the process of updating the Community Reinvestment Act.

The past decade has shown how devastating high-cost, predatory credit can be to our nation. Toxic credit that was targeted to low-income and communities of color caused pushed our entire economy to the brink of collapse and has left in its wake devastation in the form of rampant unemployment, faltering state and local budgets miles of foreclosures and abandoned buildings.

This week the Wall Street Journal reported on commercial properties whose owners have decided to turn the keys over to the banks, rather than continue to own a property that is substantially "underwater" with a much lower value than the amount owed for the loan. They said that \$1.4 trillion of commercial real estate debt is due by 2014 and roughly 52% of this is underwater. These commercial property companies have not been able to get their loans renegotiated, because they can still make their payments. But why would anyone want to continue paying for ANY mortgage, whose value was deliberately lowered by the banks, and end up financially underwater? That makes no financial sense. And why should the public and even investors pay for the mistakes of the banks, who were ripping us off to begin with?

The banks must be held accountable for fixing the enormous mortgage mess created, both commercially and for consumers. And in addition, the entire fractional banking system needs to be restructured. We cannot have banks loaning as much money as they want into existence with minimal reserves. That's how we got into this mess to begin with. Nor can we have banks with derivatives.

It is imperative that the banks, many of them the very ones who caused this crisis, repair the damage and continue to do good business in our communities. An updated and modernized Community Reinvestment Act can help.

We need:

* A major restructuring of the fractional banking system, so banks are not loaning and reloaning the same deposits out over and over and over again with very little reserves.

* Real Accountability and Fairness for Banks. Banks like Bank of America and Wells Fargo that took down our economy should not receive outstanding ratings. Banks should no longer be allowed to pick which of their areas they are graded on or which parts of their companies get looked at.

* Banks must get failing grades if they discriminate by offering toxic loans, less credit, worse credit or inadequate services to African-American and Latino communities.

* Strengthen the requirements for banks to work with us. If they are not doing their jobs, we will be the first to know. We need to be able to challenge the banks directly to meet our credit needs.

Sincerely,

First Name: Madeline

Last Name: Gerwick

Email:

City:

State:

Zip Code:

The results of this submission may be viewed at:

<http://showdowninamerica.org/node/236/submission/321>