

From: Gregg Hodgson
Subject: CRA Regulations Hearings

Comments:

Submitted on 2010-08-06 17:05
Submitted by anonymous user: [75.205.247.115]

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 Gregg Hodgson, a former Chicago community banker who is proud to have operated under the Community Reinvestment Act.

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 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.

Bankers are no different from other businesspeople in their drive for profitability and their need to be competitive. Nor are they any more hardhearted than other businesspeople. But the unavoidable fact is that they're special in the vastly multiplied impact of their actions on the general economy. That's why we, as a nation, must provide them with a strong Community Reinvestment Act that contains both sticks and carrots. The carrots would encourage the best of them to do what, in most cases, their consciences would normally urge, but that they can't afford to do unless all banks were subject to the same regulation. For the worst of them, the sticks would reduce the competitive payoff for predatory behavior. I know from personal experience that such a CRA, resisted as it was by the banking industry, not only benefited previously under-served communities but ultimately created many new and profitable customers for all banks.

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:

* 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: Gregg
Last Name: Hodgson
Email:
City:
State:
Zip Code: