

Community Reinvestment Act Joint Public Hearing, August 12, 2010
Individual Presentations: Jack Porter

[Applause]

Jack Porter:

I'm Jack Porter from Bloomington, Illinois, representing Illinois People's Action. In my submitted written testimony I've described my experiences in CRA matters during the past 18 years with the Central Illinois Organizing Project, now Illinois People's Action. They've been varied and extensive including negotiating, implementing and monitoring CRA agreements and interacting with regulators, you can read the particulars.

My first point today is that community organizations need to be more heavily involved in CRA implementation and performance evaluations. Two years ago last spring, a group of NPA leaders met with senior officials of the FDIC, one of them confessed to us that we had warned them about the effects of toxic home mortgage loans in our communities and they had not paid attention to us. Our message is...never again. From now on community organizations showing a serious commitment to work with financial institutions to meet the credit needs of our communities should be an integral part of CRA activity. I'm talking about partnering with banks in identifying credit needs, planning to meet the needs, implementing plans and evaluating results. Examiners and performance evaluators need to engage with us and take our comments seriously.

Upon our request public hearings should be held to get community feedback on bank performance. Our input should have a real impact on examinations and evaluations. There should be an appeal process available when they don't. We should be part of any remedial actions.

My second point is that foreclosure practices should have great weight in CRA evaluations. The August 4 article in Mother Jones by Andy Kroll is a sickening description of the devastation caused by foreclosure mills and the widespread fraud they employ to dispossess millions of American families. Any CRA regulated institution using these mills should receive an automatic unsatisfactory performance evaluation, but any institution engaging in good faith mediation with home owners to successfully modify loans should get CRA credit. Mandatory mediation is being implemented here in Cook County now. It's worked well in Philadelphia and elsewhere. Where it's not mandated services and holders of notes should offer mediation, participate in good faith and get CRA credit for successful modifications.

Save home ownership and save communities, reward mediation and loan modifications. Thank you.