

Good Morning. My Name is Mark Winston Griffith and I am the founding Executive Director of the Central Brooklyn Partnership and was the founding Chairman of the Board of the Central Brooklyn Federal Credit Union. The Partnership serves the neighborhoods of Fort Greene, Clinton Hill, Bedford Stuyvesant, Crown Heights, Brownsville, Prospect Heights, East Flatbush and Flatbush. The Partnership

I have a confession to make. When I first learned of these hearings, I was planning to be out of town, out of reach or just plain out. As I saw it, I would have to be out of my mind to show up today and testify. No matter what stance I take on what is probably the most important merger prospect within the financial services industry since CRA was enacted, ^{me} and my organization are sure to be dragged through the mud, one way or another, as a result of my testimony. To go on record against this proposed merger might be perceived as dismissing and betraying the efforts of one of the strongest supporters of my organization and of the Community Development Credit Union industry, which of course is Citibank. To advocate for the merger could risk ignoring some glaring threats to consumer interests and more specifically, to my community, an area that has endured its own history of betrayal and dismissals. But ultimately, staying home while the future of financial services as we know it is to be discussed would be both a disservice to my colleagues at Citibank and the people of Central Brooklyn. Simply put, too much is at stake and as one of the few organizations in Central Brooklyn that has an explicit mandate to serve as community reinvestment advocate and watchdog, staying home, now matter how convenient, would be irresponsible and ultimately unconscionable.

I'm sure I don't have to tell you that Central Brooklyn has been a long standing victim of bank redlining, discrimination and disregard. In the nation's largest black community, in the last ten years alone, we have seen twice as many bank branches close as we have seen open. Nationally there is one bank branch for every 5,000 people, in Central Brooklyn there is one bank branch for every 23,000 people. A now somewhat outdated study of bank lending showed that for every dollar deposited in local banks, less than one penny was reinvested back into the community. Check cashing operations ^{invariably step in} fill the void and in Central Brooklyn there are more than twice as many check cashing operation as there are bank branches.

Into this ^{environment came} void stepped the Central Brooklyn Partnership in 1991. The Partnership provides education and training around financial literacy issues and organizes and advocates ^{on behalf of a void} on behalf of a void community reinvestment issues. The Partnership runs ^{its} Youth Empowerment Program, a leadership development and financial education program for young people, the Sisters Lending Circle a financial self-sufficiency support group for women who receive public assistance and a economic justice program which conducts research on local financial patters and serves as a CRA watchdog. In 1993 the Partnership created the Central Brooklyn Federal Credit Union a financial cooperative that serves more 5000 people who live, work ^{and} and do business in Central Brooklyn, has almost 5 million in assets and has made millions of dollars of loans over the past five years.

And yet the Credit Union, while one of the largest community development financial institutions in all of New York City, struggles on many different levels to remain healthy and robust in a credit parched area. Since the beginning, Citibank has been there for us. As one of our first non member investors Citibank helped capitalize the Credit Union and enabled us to make low-interest

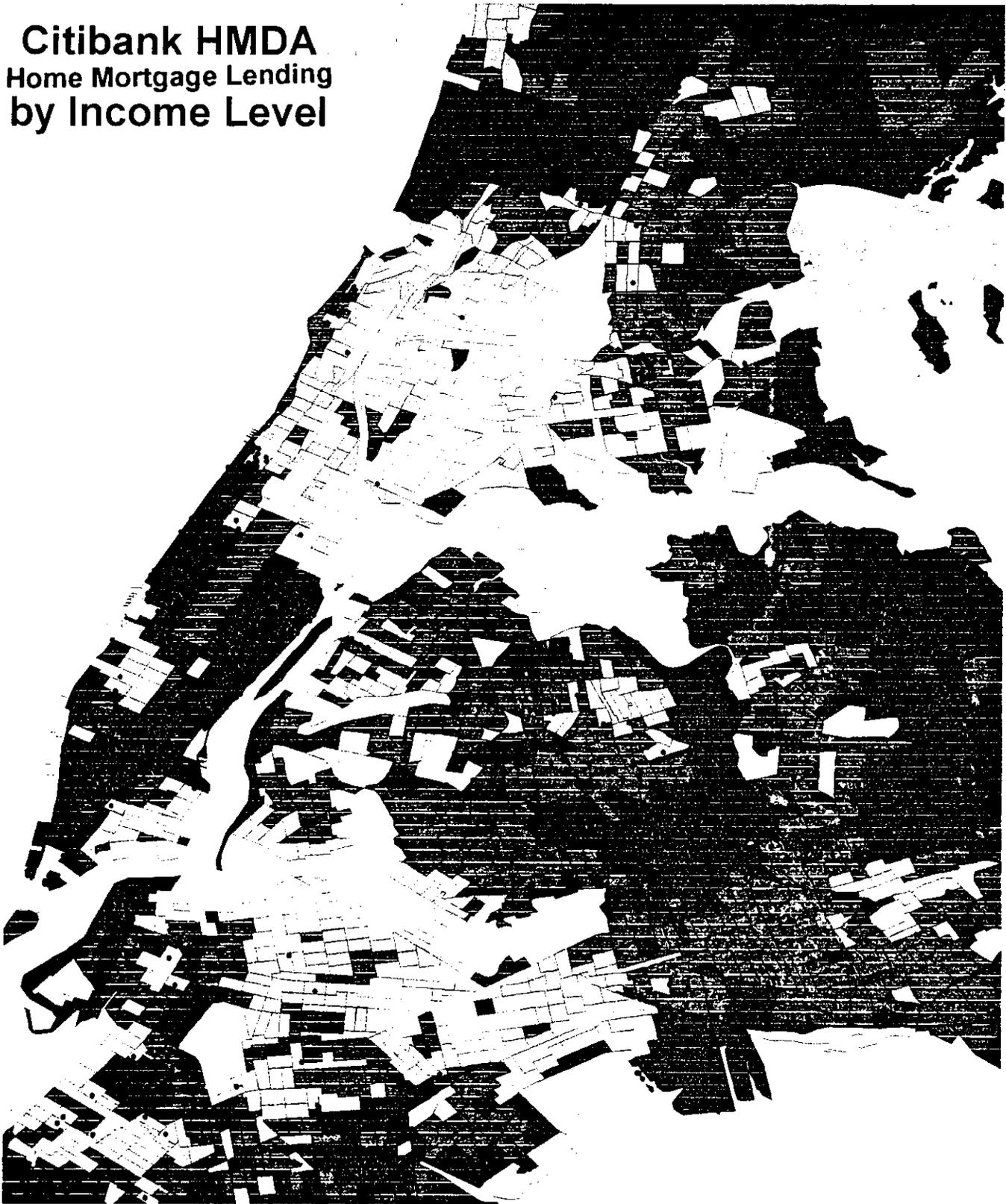
personal and small business loans to our membership almost immediately upon the Credit Union's opening, with its zero interest deposit of \$100,000. Eager to support us in our early growth period, Citibank made a grant of \$10,000. Over the years we have also received several grants for our youth program, participated in a Citibank technical assistance program for not-for-profit community developers and have turned to people like Janet Thompson for advice. And as you know through the testimony of the National Federation of Community Development Credit Unions, Citibank has made a sizable investment in community development credit unions nationwide and Central Brooklyn is scheduled to receive a \$55,000 Citibank equity grant. And, depending on how Citibank responds to the rest of my testimony, I plan to make additional requests for grants for the Partnership and deposits for the Credit Union.

Unequivocally, Citibank has been a leader and full partner in our organizational effort to rebuild the economy of Central Brooklyn. But while my organization quickly turns Citibank's investments in the Partnership into instruments that vastly improve the quality of people's lives, it would be arrogant and narrow-minded to conclude that meeting organizational needs fulfills a financial institutions obligation to the people of low and moderate income neighborhoods. Let's be real, Community Reinvestment and the consideration of mergers is not just about measuring a bank's support of neighborhood based community-based efforts, no matter how impressive. Its also more importantly about the quality, accessibility and affordability of a banks financial products and what the sum of this proposed merger's parts mean for the future survivability of my community. On that count I have deep-seated fears and reservations. I am concerned that Citibank's record of mortgage-lending, once the best in Central Brooklyn, has fallen precipitously over the last ten years. I am concerned with Citibank's growing complacency in my neighborhood and its most recent failure to participate in an important fundraising consortium to support the Credit Union because it placed more value on its rivalry with Chase than on the future of my institution and the people it serves. I am concerned with Citibank's prohibitively high fees for its consumer retail services such as checking where there is no low-to-mid-range pricing between life-line and the ridiculously expensive no-fee checking. I am concerned that Citibank's increasingly global banking strategy is coming at the expense of communities like Central Brooklyn and that this merger will make them even less focused on our needs. I am deeply suspicious of any community reinvestment pledge, 115 billion or otherwise, made while a merger is being considered. And I am disgusted at the way this proposed merger, which at this moment in time is illegal, has been treated as a foregone conclusion possibly turning this hearing into a cynical exercise of yet again watching the restless natives jump up and down and shout ugh-bugah. I think that ACORN had the right idea yesterday when they came in here, shut the place down for moment, and made us consider whether we even have the slightest bit of power to affect the direction of this monumental decision.

I for one am not going to go home and passively sit by while the fate of my community is relegated to a deal cut in a corporate hallway. I again acknowledge Citibank's financial support of Central Brooklyn through my two organizations, one of which makes loans to people that every other lender has abandoned. This is a testament to Citibank's community reinvestment record and I bear witness. God knows I hope this support continues and that Citibank approves the grant and deposit request that I plan to submit next week. But at the risk of sounding ungrateful, that's not enough. My recommendations are simple and broad: I challenge Citibank to

either be a more aggressive supporter of community development, make more mortgage and small business loans in my neighborhood and provide products that can be more widely used by people of low and moderate income or give up its merger plans. I know you have the power and resources. Use them. I challenge the Federal Reserve to enforce this, set higher standards for the consumption of this merger proposal and not be seduced or rolled over by the seeming inevitability of this deal . Don't sacrifice my neighborhood for the sake of making financial history.

Citibank HMDA Home Mortgage Lending by Income Level



citi loans
• 1 Dot = 1
% MFI
- - - - - very low
low
moderate
middle+upper

SOURCE: Citibank's 1996 Home Mortgage Disclosure Act (HMDA) data for New York City Metropolitan Statistical Area.