



*Florida Minority Community Reinvestment Coalition
San Diego Minority Community Reinvestment Coalition*

California Community Builders

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September 8, 2015

Congressional Hispanic Caucus
Representative Linda T. Sanchez
Chair
2329 Rayburn House Office Building
Washington DC 20515

Congressional Black Caucus
Representative G.K. Butterfield
Chair
2305 Rayburn House Building
Washington DC 20515

RE: Request For Congressional Hearing By Congressional Hispanic & Black Caucus; Bank of America Predatory Home Lending To Latino & Black Families/Lack of Home & Small Business Lending To Latino & Black Small Businesses

Honorable Representative Sanchez & Honorable Representative Butterfield:

Attached you will find an appeal/lawsuit filed by City of Miami against Bank of America for their notorious and predatory home lending to Latino and Black families in Miami Dade. This is just the tip of the iceberg and on behalf of the hundreds of minority organizations we work with, we are requesting that both the Congressional Black and Hispanic Caucus hold a congressional hearing to investigate the predatory home lending and lack of small business lending by Bank of America.

Bank of America Actions Led to Largest Racial Wealth Gap in Past 60 years.

Without doubt, as substantiated in the court filing by the City of Miami in Federal Court September 1, 2015, Bank of America targeted Black and Latinos for predatory home loans that resulted in the largest loss of minority homes through foreclose in our nation's history. This loss of billions of dollars of minority home equity not only has resulted in the highest racial wealth gap in the past 60 years, it has crippled our minority small business community since they heavily relied on home equity to be used as collateral for small business loans to start, expand or protect their businesses from harsh business cycles as witnessed in the past 5 years. The City of Miami lawsuit is just the tip of the iceberg and reflects a pattern of behavior by Bank of America across our nation.

To add insult to injury, Bank of America now has ceased almost all home lending to Latino and especially black families that will fuel the racial wealth gap to widen further and remove a vital financial tool for our Black and Latino small businesses: Home Equity. This was witnessed when Bank of America released their 2nd quarter financials that showed they had doubled their profit to \$5.32 Billion for the second quarter of 2015. This was fueled by home lending that increased by over 40% from the previous year. Yet this surge in home lending did not include minorities. Research of 2014 HMDA home lending data showed that Blacks accounted for less than 2% of home lending (excludes refinancing) by Bank of America in both Florida and California. Latinos did not fair much better. As Bank of America profits soared, minorities were left behind that will have long term catastrophic economic consequences for Black and Latinos across our nation.

A study by NYU showed clearly that Home Equity (38%) and Small Business Equity (16%) accounted for the lion share of household wealth. Access to capital, with reasonable terms, is vital for Blacks and Latinos to begin to reconstruct our financial backbone and foundation that was disseminated by the actions of Bank of America as outlined in the City of Miami court filing. The lack of minority small business lending by Bank of America is compounding our current racial economic crisis that is now showing consequences with increases social unrest. On September 24th, we are holding a phone meeting with CFPB Director Cordray to discuss implantation of section 1071 (Dodd Frank Bill) that will provide racial small business lending data.

A Black and Latino Congressional Caucus hearing on these issues by Bank of America will send a clear and loud message to Blacks and Latinos that our elected congressional representatives will protect them from this predatory behavior by Bank of America. Congressional approval ratings are at an all time low due to an increased lack of confidence by Americans that you have our backs and not that of the lobbyist. Show us that you will protect the financial future of our children, families, small businesses and communities by holding a hearing of Bank of America.

We thank you for consideration on this vital request. For questions or concerns, please contact Mr. John Gamboa at (510) 367-9111.

Cordially,

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