

Minorities in Florida Account for 74% of Poverty
Minorities in Baltimore Account for 91% of Poverty
Average Household Wealth in Los Angeles:

White: \$355,000

Black: \$3,000

Mexican: \$4,000

Federal Reserve Board (DC) and Federal Reserve Bank (Atlanta)
Meet with Selected Minority Leaders in Miami April 22 to discuss:
How To Bring Race Relevancy to Bank Lending, Investments and CRA grades

Addressing Rising Racial Wealth Gap That Fuels Racial Poverty & Social Unrest



Minority Community:

Below you will find the letter we sent on March 1, 2016 to Federal Reserve Board Chair Janet Yellen expressing our concerns over the ever widening racial wealth gap and racial income inequality that fuels increased racial poverty. This was such a serious issue that our attorney was even scheduling a hunger strike at the FRB building in DC. But to the credit of Chair Yellen and her team, they agreed to come to Miami and meet to begin a constructive discussion on race and economics.

We are pleased to provide you with both photos and a brief recap of results from this past Friday meeting in Miami with the Federal Reserve Board, Federal Reserve Bank of Atlanta and some select minority leaders and invited bankers (Citi, Regions and BankUnited) to discuss how to bring race relevancy into the CRA (Community Reinvestment Act) that can counter both the growing racial wealth gap and racial poverty in Florida, Baltimore and other major cities across the United States. The discussion was both candid and constructive on both sides of the table with all agreeing that there is a need to look at race and economics. Specific points can be seen below but I wish to highlight one point in particular. We will be pushing hard for the **“Color of Wealth”** study in Los Angeles (study link below) that showed without doubt this racial wealth gap is a serious one to be replicated for both Miami, Tampa area and Baltimore where we found out

that the racial economic data was also collected. It is crucial that these additional race & wealth studies be done so under the umbrella of the Federal Reserve Bank as was with the Los Angeles study that came under the Federal Reserve Bank of San Francisco. This is absolutely critical to begin the discussion of race and economics in both Florida and Baltimore. Speaking of Baltimore, I am pleased to announce that I will be working with African American leaders there to launch a Baltimore African American CRA coalition to deal with these very issues. As a noted point, we will be having continued Making CRA race relevant meetings in both Florida and Baltimore that will culminate in FMCRC paying for these Florida & Baltimore leaders to go to Washington DC and meet with Federal Reserve Board Chair Janet Yellen (and governors), OCC Director Curry and CRA Examinations Director Grovetta Gardineer, FHFA Director Mel Watt and CFPB Director Richard Cordray to present formal recommendations on policy shifts for CRA, housing, small business and Fair lending that will aid in addressing this significant rising racial wealth gap and racial poverty that is now having serious social consequences. The following are some photos of the meeting and a general recap of the meeting points/recommendations the minority leaders wished to be addressed:

Photos & Meeting Recap of Desired Outcomes:





Federal Reserve Board Meeting April 22, 2016

Recap of Recommendations by Minority Leaders:

- 1) There is a need for all federal bank regulators (and key federal agencies) to bring race relevancy to their programs, studies, conferences and examinations
- 2) Increasing the sense of urgency in having the Federal Reserve Board and its reserve banks across the nation re-tool its approach to the Community Reinvestment Act of 1975 (CRA) to incorporate race specific programs, lending and investments.
- 3) Expand upon its "Color of Wealth Report" released last month that clearly showed that household wealth between white, Latino, African American and Asians in Los Angeles was significant and growing (White household wealth at \$355,000 and African American at \$3,000). Similar data was collected for both Miami and Baltimore. The FL Minority CRA group called on the Federal Reserve Board to release the Color of Wealth studies for both Miami and Baltimore ASAP and under the umbrella of the Federal Reserve Banks as they did for the Los Angeles study. These studies will again clearly demonstrate that the wealth between White and minorities is massive which clearly demonstrates that the enforcement of the CRA with the major banks has failed horribly for communities of color
- 4) There is a need for the Federal Reserve Board & OCC (Office of the Comptroller of the Currency that regulates most of the larger banks) to encourage increased investments by banks into race specific CDFI loan programs and minority led and focused nonprofits targeting affordable housing development and small business lending to minority small businesses. Currently the major banks in Florida and across the United States continue to have minimal investments into race specific loan/investment programs. Such specific race housing and small business loan/investment programs have proven to be overwhelmingly successful but continue to lack capital (both debt/equity)
- 5) Both the Federal Reserve Board and the OCC need to encourage all major banks (to include regional and national banks) increased equity investments into both CDFI and minority led and focused nonprofits that target increasing minority home/small business equity (housing and small business lending) that are the leading drivers of household wealth. This is to include a major push to increase EQ2 investments that most

- banks now avoid that will help build up capacity for minority led and focused nonprofits. The lack of capacity for minority led and focused nonprofits is now at a critical state that must be addressed immediately.
- 6) Both the Federal Reserve Board and the OCC are allowing banks to do a majority of their required CRA investments into mortgage backed securities. The group calls on both the Federal Reserve Board and the OCC to have the banks invest equally into CDFIs, nonprofits targeting minority communities and the mortgage backed securities. And for 100% of all mortgage backed securities they need to require that such investments be made into securities bundles (FNMA, FHLMC) that exclusively contain loans to low and moderate income home buyers that are CRA-reportable. Regulators must only allow this bank strategy of buying mortgage-backed securities to satisfy CRA expectations to be used sparingly and primarily in markets where doing so will fill CRA gaps caused by a general lack of other types of investment opportunities.
 - 7) Both the Federal Reserve Board and the OCC CRA examiners should incorporate minority small business lending data as a result of the implementation of 1071 of the Frank Dodd Act (requires all banks to report small business lending to minorities and women by census tracts) into the banks CRA examination. For those banks who's small business lending to minorities are grossly under represented for that particular market (based on racial demographics) that banks should receive a "needs to improve" CRA rating.
 - 8) There is a need for the Federal Regulators to begin to have open and public discussions around the topic of economic systemic racism in key cities across the United States.
 - 9) There is a need to have a more comprehensive approach to community reinvestment into minority communities that includes noneconomic components that contributes to rising racial poverty in Florida and in key cities and states. This includes encouraging major foundations to have more race targeted investments into nonprofits that focus on minority communities and businesses.
 - 10) There is a need to have continued federal regulator meetings such as this one that focuses on race and economics across the nation

Copy of FMCRC Official Letter
To Chair of Federal Reserve Board Janet Yellen:
Florida Minority Community Reinvestment Coalition

March 1, 2016

Federal Reserve Board System
Ms. Janet Yellen
Chair
20& C Street NW
Washington, DC 20551

RE: Lack of Minority Focused Community Reinvestment Programs By FRB-OCC: Scheduled Hunger Strike in Front of Federal Reserve Board Building To Commence July, 4 2016
(Sent via certified letter and email)

Dear Ms. Yellen:

For the past 5 years, we have repeatedly attempted to work with your community affairs department to create race based relevant community reinvestment programs that would ensure that banks provide adequate access to capital for minority families and businesses, access to banking services and to ensure that that banks predatory lending to minorities via credit cards and auto loans is minimized. These attempts have resulted in NOT ONE race based and focused program within both the Federal Reserve System and OCC that regulates over 80% of banks in America. The result of this negligent behavior is now a record racial wealth gap that is driven by the lack of home and small business lending to minorities. Our country is now in the midst of a racial war in the United States that we have not witnessed in over 60 years. I for one believe that all begins and ends with economics. The Federal Reserve System is the very symbol of Capitalism in both the United States and around the world. To this point and to bring attention to the racial economic segregation that both the Federal Reserve System and Office of the Comptroller of the Currency (OCC) have created in our country, I have directed our legal counsel to contact your office to begin the permitting process to enable me to launch a hunger strike in front of your building to begin July 4, 2016.

Why the hunger strike in front of your building: From Bank of America's most economic racist practices (along with other national banks), the growth of pay day lenders charging over 300% interest rates that are supported by both Republicans and Democrats because of lack of your demanding that banks focus on banking the unbanked, allowing super Wall Street Focused mergers such as CIT-One West Bank that have absolutely no racial objectives to your agencies lack of desire to create race based community reinvestment programs that would have a tremendous impact on battling racial poverty. I can go on and on but enough is enough. Our communities of color, especially African American and Latino communities have witnessed growing economic racism that is driving up racial poverty. We see this in Florida where minorities now account for over 76% of all Florida poverty.

The economic distress of minority communities is the most pressing issue facing minority communities across the United States. The lack of businesses and jobs fuels not only a crushing cycle of increasing poverty but also crippling social problems, such as drug abuse and crime in our minority communities. The establishment of a sustainable economic base together with employment opportunities, wealth creation, role models, and improved local infrastructure is critical to the future well-being of minority communities not only in Florida, but throughout the United States.

Yet the key and foundation to counter this rising negative economic tide is the creation of jobs in poor minority communities that comes from minority small businesses and home ownership. But the growing lack of access to capital (both debt/equity) is rising and we see this in such banks as Bank of America where in cities where African Americans make up over 50% of the city's population are only accounting for less than 6% of home and small business loans. We are seeing less and less bank branches in minority communities that have fueled a 3000% growth of pay day lenders in Florida. Banks are now focusing and targeting minority consumers for credit card and auto loans with interest rates that are double than that of white consumers. Again, we can go on and on but enough is enough.

Capitalism without capital is nothing more than an ISM. In the Latino and especially the African American community there is mostly ISM. The CRA act was placed into law to ensure that minority communities of color were not filled with ISM:

The Community Reinvestment Act (CRA) is a federal law that requires banks to meet the credit needs of their entire communities, including low-moderate income (LMI) neighborhoods. The CRA Act begins by reciting to Congress three findings. First, financial institutions are required to serve the "convenience and needs" of the communities in which they are chartered to do business. Second, "the convenience and needs of the communities include credit services." Third, financial institutions have "continuing and affirmative obligation(s) to help meet the credit needs of the local communities in which they are chartered."

We are in a presidential election year and environment that is attacking people of color on every front. For this reason I for one wish to lead by example and show our younger leaders that to not fear these economic and social racist but to stand up to them with all the God has given us. I will start this hunger strike and not end it until the Federal Reserve Board of Governors agree to the following: 1) hold a national racial economic summit in Washington DC before October 31, 2016 that invites any minority organization leader to attend if they wish to, 2) the Federal Reserve Board agrees to review and implement race based and relevant CRA programs, 3) enforce CRA regulation with the banks to ensure that minorities are receiving adequate access to capital and 4) a statement by Chair Yellen acknowledging that there exist a racial economic vacuum in the United States and that the FRB is committed to address this racial economic gap.

It is my hope that we can come to agreement but let me assure you that I am resolved to give all that God has given me, including my life, to start a road of economic change for our communities of color. Our attorney at the law firm of Van Ness & Associates will be contacting your Community Affairs (Carol Evans) to begin the permitting process. Please contact myself directly at (813) 598-6361 with any questions. We thank you for your consideration on this serious issue.

Sincerely,

"There are those who say thus is the way of the world....I say NO thus we make it"

"It is easy to sing when one sits upon a perch of privilege as compared to those who are drowning in a sea of neglect"

Al Pina
Chair/CEO
FMCRC

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