CCM-101

City of Cambridge

82.

IN CITY COUNCIL

June 14, 1999

MAYOR DUEHAY
COUNCILLOR BORN
COUNCILLOR DAVIS
COUNCILLOR RUSSELL
COUNCILLOR SULLIVAN
COUNCILLOR TOOMEY
COUNCILLOR TRIANTAFILLOU

WHEREAS: The Community Reinvestment Act (CRA) has played a critical role in encouraging federally supported insured financial institutions to invest in our nation's cities; and

WHEREAS: CRA has been a key component in the revival of urban areas and their surrounding regions, creating new businesses, new jobs and new homeowners; and

WHEREAS: CRA has helped to spur bank and thrift investment in multifamily rental housing development and rehabilitation, small business expansion, and community economic development; and

WHEREAS: CRA is a crucial complement to FHA Insurance, the HOME program, Community Development Block Grants, and the low-income housing tax credit, programs which have built or financed the purchase of millions of units of affordable rental and ownership homes; and

WHEREAS: The Senate has passed S.900, the Financial Modernization Act of 1999 that would dramatically weaken the CRA and have dire consequences for the nation's cities; and

WHEREAS: The Senate bill fails to require banks seeking to affiliate with securities and insurance firms have a satisfactory CRA rating and would permit banks to ignore the credit needs of their communities; and

WHEREAS: The Senate bill also provides a "safe harbor" from public comment on CRA performance to banks with a "satisfactory" or better CRA rating; and

WHEREAS: The Senate bill exempts small banks in rural areas (less than $100 million in assets) from CRA obligations; and

WHEREAS: The House is also considering a bill H.R.10, the Financial Services Act of 1999, that would also weaken CRA; and

WHEREAS: The House bill does not require securities companies, insurance companies, real estate companies and commercial and industrial affiliates engaging in lending or offering banking products to meet the credit, investment and consumer needs of the local communities they serve; now therefore be it

RESOLVED: That the Cambridge City Council opposes both S. 900, the Financial Modernization Act of 1999 and H.R.10, the Financial Services Act of 1999, unless CRA is preserved and protected; and be it further

RESOLVED: That the City Clerk be and hereby is requested to forward a copy of this resolution to the U.S. Representatives and Senators serving the Commonwealth of Massachusetts.

In City Council June 14, 1999.
Adopted by the affirmative vote of six members.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- D Margaret Drury

D. Margaret Drury
City Clerk

Mayor Duehay (82)

WHEREAS: The Community Reinvestment Act (CRA) has played a critical role in encouraging federally supported insured financial institutions to invest in our nation's cities; and

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RESOLVED: That the City Clerk be and is hereby requested to forward a suitably engrossed copy of this resolution to the appropriate delegation to be presented to the United States Senate.

RESOLVED: That the Cambridge City Council opposes both S. 900, the Financial Modernization Act of 1999. and H.R.10, the Financial Services Act of 1999, unless CRA is preserved and protected; and be it further

RESOLVED: That the City Clerk be and hereby is requested to forward a copy of this resolution to the U.S. Representatives and Senators serving the Commonwealth of Massachusetts.

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Consent Order # 82 2233

Mayor Duehay re: oppose both S. 900, the Financial Modernization Act of 1999, and H.R. 10, the Financial Services Act of 1999, unless CRA is preserved and protected.

In City Council June 14, 1999

ORDER ADOPTED