



For Immediate Release

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**National Multi-Racial, Multi-Ethnic Coalition
Demands U.S. Senate Enact Strong Financial Reforms
And Close America's Racial Wealth Gap**

*Forty Prominent Scholars, Experts and Advocates Say
All Americans Will Benefit If Bold Steps Are Taken to Protect Communities of Color*

WASHINGTON, January 20 -- Saying communities of color have been disproportionately affected by the absence of appropriate financial regulation, a national multi-racial, multi-ethnic coalition is calling on the U.S. Senate and the Senate Banking Committee to enact reforms to protect the remaining assets of vulnerable families and help them rebuild their economic security.

Forty prominent scholars, policy experts and advocates from the African-American, Latino, Asian-American, Native Hawaiian and Native American communities said that all Americans will benefit if lawmakers take aggressive steps to ensure members of underserved racial and ethnic groups are protected and fully able to take part in the economic mainstream.

Among other things, they said, that requires an independent Consumer Financial Protection Agency with real teeth and strong regulation of those involved in financial services transactions.

“We urge Congress to address the unique needs and circumstances of communities of color by taking bold steps to enact meaningful reforms that protect the remaining assets of vulnerable families while ensuring these families have a secure base upon which they can rebuild and expand their wealth,” the coalition wrote in a Jan. 19 [letter](#).

The coalition members, who include James Carr, chief operating officer at the National Community Reinvestment Coalition, Janis Bowdler, deputy director of the Wealth Building Policy Project at the National Council of La Raza, Doua Thor, executive director of the Southeast Asia Resource Action Center, and Avis Jones-DeWeever, Ph.D., director of the Research, Public Policy and Information Center for African American Women at the National Council of Negro Women, are members of Insight Center for Community Economic Development's [Experts of Color Network](#).

“This represents the first time that such a group of experts of color have stood together to demand serious financial reform on behalf of their communities,” said Maya Rockeymoore, Ph.D., president of Global Policy Solutions and one of the signatories. “That fact that they are

willing to do so underscores the importance of reforms to communities of color who were disproportionately targeted and, as a result, suffered great financial loss.”

The House of Representatives passed its version of reform legislation in December and action now moves to the Senate, which is not expected to act for months.

In urging congressional action, the coalition is calling for:

- A strong and independent Consumer Financial Protection Agency.
- An expanded Community Reinvestment Act.
- Strong regulation of all involved in financial services transactions, including bankers, real estate agents, real estate brokers and automobile dealers.
- Standard, trustworthy financial products and services that are easily understood and accessible.
- A large-scale homeownership preservation and retention effort that includes foreclosure mitigation with principal reduction.
- An end to the monopoly of the Big 3 credit rating agencies with their opaque and discriminatory practices that have inhibited people of color from receiving fair access to credit.
- A 21st century economic mobility initiative that establishes a federal inter-agency task force to examine barriers to economic mobility among traditionally underserved communities and identifies opportunities for agency coordination to remove those barriers.
- The uniform collection of data – broken out by race, ethnicity, gender and income -- to track how different communities are treated and to forestall discriminatory practices.

Data collected by Federal Reserve Board before the recession showed that the median Hispanic family owned 12 cents to the median white family’s dollar, and that the median African-American family, by comparison, owned just a dime. The recent economic downturn has certainly exacerbated the problem for families of color, who studies have shown were more likely to be steered to sub-prime loans even when they qualified for prime lending rates.

The coalition said it believes “structural factors rooted in public policy” have contributed greatly to wealth inequality, and added, “It is time for Congress to promote economic security through strong and enforceable regulatory measures: better data collection measures, inclusive practices and targeted policies that support asset building and protect our communities.”

Editors’ note: To interview the participating experts, call Rob Doherty, 301-656-0348.

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The Insight Center for Community Economic Development is a national research, consulting and legal organization dedicated to developing and promoting innovative solutions that help people and communities become, and remain, economically secure. It is leading a national effort to close the racial wealth gap in the United States for the next generation. For more information on the Center, go to www.insightccd.org or www.racialwealthgap.org.