



November 21, 2018

AG MADIGAN FIGHTS FEDERAL ADMINISTRATION'S ATTEMPT TO BLOCK SANCTUARY LAW LIMITING STATE COOPERATION WITH ICE***Madigan & Coalition Argue States Have Primary Responsibility for Public Safety Within Their Borders***

Chicago — Attorney General Lisa Madigan joined a coalition of 14 state attorneys general to [file a comment letter](#) urging the Office of the Comptroller of the Currency (OCC) to maintain rules requiring banks to take steps to serve low- and moderate-income communities and protect against lending discrimination.

The comment responds to the OCC's efforts to weaken oversight of bank compliance with the Community Reinvestment Act (CRA). The CRA encourages banks to help meet credit needs of all segments of their communities. The law was enacted in 1977 in response to banks persistent and systematic denial of access to credit for historically disadvantaged communities, often communities of color. The OCC's proposal would undermine the purpose of the CRA and result in less access to banking service, loans, and investment for disadvantaged populations.

"The Community Reinvestment Act's protections and incentives are important tools for economic justice," said Madigan. "I oppose any efforts to undermine access to banking, credit or other financial services, and urge regulators to prioritize reforms that build financial security for disadvantaged communities."

Three federal financial regulators enforce the CRA: the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and the OCC. Enforcement is carried out through the bank examination process, where these agencies periodically review how well banks have met the credit needs of the communities covered by the CRA.

In the letter, Madigan and the other attorneys general urge the OCC to withdraw its proposal because the OCC:

- Neglected to include the Federal Reserve and the FDIC in forming its decision to roll back CRA oversight, despite these regulators' shared responsibility for implementing the CRA.
- Implemented guidance that would weaken enforcement of credit discrimination and consumer protection laws through the CRA. The OCC states it will only consider the most egregious of violations in determining what affects a bank's credit rating, which functionally eliminates penalties for violations.
- Proposes a rating system that removes examiners' ability to qualitatively evaluate bank responsiveness to local credit needs.
- Fails to recognize the importance of community benefit agreements, which have led to billions of dollars in local community investment.
- Allows banks to achieve CRA compliance through lending and investments made in non-CRA communities.
- Fails to fix the loophole that allows bank affiliates, such as mortgage lenders, to escape CRA examination.

Joining Madigan in submitting the comment letter were the attorneys general from the following states: California, the District of Columbia, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Oregon, and Virginia.



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