

## Brady Backs Banking Protections

February 26, 2007

PHILADELPHIA --- Saying that the recent Wachovia Bank branch closings in Philadelphia point to the need for reform, Congressman Robert A. Brady (D., Pa.) announced today that he is a co-sponsor of the soon to be introduced Community Reinvestment Modernization Act of 2007. The legislation would require public comment and a hearing before bank branch closings.

Community Reinvestment Act (CRA) legislation requires banks and thrifts to serve low and moderate income neighborhoods. Since 1977 it has made it possible for millions of Americans to obtain mortgages, and small business and other loans.

"The community was not informed of the bank's intention to close neighborhood branches," the Congressman said. "And, as we know the exodus of banks from economically challenged neighborhoods increases the opportunity for increased higher cost sub prime loans for minorities, women and low- and moderate income borrowers."

The Congressman noted that City Council and Mayor John Street have taken action on the local level. Feb. 22, Mayor Street signed legislation introduced by Councilman Wilson Goode, Jr. adopting a bank branch closing ordinance. The ordinance requires prior notice to the City of Philadelphia and City Council before implementing branch closings.

The CRA Modernization Act would also extend CRA to mortgage companies, insurance companies and security firms. Additionally, the bill would reduce pricing disparities in loans based on race, income and gender that threaten an increase in affordable homeownership opportunities.

The Congressman said he applauds Wachovia's continuing negotiations with the Borinquen Federal Credit Union to transfer the closed Front and Allegheny Wachovia branch to the community-based credit union. But, he also urged Wachovia to make the good faith and community sustaining effort to enter into a written CRA agreement with neighborhood based advocacy organizations.

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