June 12, 2024

CEO
Bank
Address
Via email:

Re: Community groups raise continuing concerns about misalignment between bank pronouncements and bank lobbying and litigation actions. Lobbying audit requested regarding fundamental principles

Dear CEO,

The undersigned community, civil rights, and climate advocacy groups write to renew our dismay regarding continuing legal challenges by banking trade associations. This litigation activity, conducted in your bank’s name, constitutes an assault on key civil rights, anti-discrimination, wealth-building, consumer protection, and climate defense efforts of critical importance to our communities, networks, clients, and constituencies.

rise-economy.org
Rise Economy is a member-led alliance creating systemic change and economic justice for BIPOC and low-income communities. Rise Economy is building a powerful movement for economic justice, focused on knocking down the historical barriers Blacks, Latinos, and other People of Color have faced in building generational wealth.

This is an important question that has yet to be adequately answered. So, we’re asking again.

Where does your institution stand on key issues of critical importance to BIPOC and working-class communities?

This letter follows a similar letter sent to you in September of 2023. At that time, we asked for clarity on your institution’s policies as we expressed concern about the lobbying and litigation practices of banking trade groups in challenging:

- The determination that discrimination is an unfair and deceptive practice.
- The constitutionality of the Consumer Financial Protection Bureau (CFPB).
- The Dodd Frank Act Section 1071 small business data collection rule, which is meant to facilitate fair lending enforcement and enable communities, governments, and lenders to identify business and

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community development needs and opportunities for women-owned, minority-owned, and small businesses. [4]

- And legislative efforts to mitigate the profound harm caused by climate change. [5]

Unfortunately, the following concerning legal actions have been undertaken in the time since that letter was sent:

- The American Bankers Association (ABA), United States Chamber of Commerce (U.S. Chamber), Independent Community Bankers of America (ICBA) and other trade groups have sued to overturn the final Community Reinvestment Act rule. Rise Economy members and allies have advocated for years for an update to the rule to encourage banks to engage in more impactful investment in underserved communities.

- The California Chamber of Commerce (California Chamber) and others have sued to halt California’s two landmark climate disclosure laws. SB 253 and SB 261 would require critical greenhouse gas emission disclosures and climate transition plans for large corporations. The bills were recently passed by the Legislature and signed by the Governor. [6]
And, more troubling, the list of banking industry challenges to consumer and community interests only continues to grow.[7]

Fundamentally, we are asking — which side are you on?

Are you on the side that stands against discrimination, the racial wealth gap, consumer protection violations, redlining, and climate change?

Or are you on the side that supports the litigation and lobbying efforts carried out in your name that undermine legislative and regulatory reforms designed to address these ongoing societal harms?

*Banks cannot hide behind their associations*

It is time to stand up and be counted. Banks are implicated in all these lawsuits. We note once more that most banks are members of one or more of the following trade associations: The ABA, CBA, ICBA, California Chamber, and the U.S. Chamber. These trade associations have engaged in lobbying and litigation activity that is contrary to community and consumer interests. Further, several banks are represented on the boards of directors of these associations.[8]

*Actions speak louder than words*

Despite the positive pronouncements and commitments made by banking institutions in the aftermath of the George Floyd murder, our coalition members and allies have observed the harmful actions taken by banking
trade associations on behalf of their member banks. Unfortunately, these actions only serve to undermine those previously expressed statements and values.

Many institutions have made public statements regarding their commitment to racial justice and closing the racial wealth gap. However, no pronouncement or commitment of lending and investment dollars to particular borrowers, businesses or communities will have the same impact on closing the racial, ethnic and gender wealth gaps as implementation of the Section 1071 rule, for example. The disconnect between bank pronouncements and bank lobbying is hurting our communities. [9]

There is no place to hide when it comes to these fundamental principles. Numerous articles have highlighted the banking industry’s penchant for turning to litigation to thwart community and consumer interests. [10] In fact, one such article quotes an ABA spokesperson as saying that ABA members were “unified” in the decision to challenge the new CRA rule. [11] Community groups, like our nearly 400 members and our allies across the country, policymakers and the public are taking notice. [12]

What we are asking
To address these disparities, we urge your institution to conduct an audit of your lobbying activities and trade association memberships, including the following steps:

1. Confirm and disclose your organizational positions on:
   1. Fighting discrimination of all kinds.
   2. Respecting and protecting consumer rights.
   3. Supporting BIPOC, women and LGBTQ+-owned small businesses, increasing wealth-building opportunities, and closing racial and other wealth gaps.
   4. Increasing investment in LMI communities of color where you are doing business.
   5. Fighting climate change and mitigating the harm it imposes on BIPOC communities.

2. Evaluate your trade association memberships to determine if the lobbying and litigation practices of these associations are aligned or misaligned with your organizational positions.

3. Develop an action plan with clear timelines for dealing with situations where misalignment occurs.

4. If there is misalignment, communicate your opposition to particular decisions that run counter to your organizational policies.

5. If the misalignment continues, consider withdrawing from the association.

6. Publicize your implementation and results of this process to your community and municipal partners and investors.

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7. Conduct this audit every two years.

A growing number of corporations are calling out their trade associations for lobbying activities that run counter to their climate and other goals. And community groups and investors are demanding such action. Failure to address misalignment between corporate policies and lobbying activities, whether direct or indirect through a trade association, poses risks to the corporation.

Rise Economy, its members, and allied organizations work tirelessly in BIPOC, working class and rural communities to increase access to credit and wealth-building opportunities, protect consumer rights, further fair housing and fair lending, fight discrimination and redlining, and protect our climate. We urge you to ensure that your efforts are not undermining these critical pursuits.

We appreciate your reply to this letter and this request by July 19, 2024.

Should you have any questions about this letter or wish to discuss it further, please contact Kevin Stein at kstein@rise-economy.org.
Very Truly Yours,

Paulina Gonzalez-Brito
Chief Executive Officer

Kevin Stein
Chief of Legal and Strategy

Endorsing organizations

Rise Economy
Accountable.US
Americans for Financial Reform
Anti-Eviction Mapping Project
Asian Business Association, Inc.
Asian Pacific Islander Small Business Collaborative
CAARMA
California Capital Financial Development Corporation

rise-economy.org
California Coalition for Rural Housing
California Community Land Trust Network
California Housing Partnership
California Public Banking Alliance
CASA of Oregon
Ceiba
ClimateVoice, a project of Tides Center
CoBiz Richmond, Inc.
Community Economics, Inc.
Community Reinvestment Alliance of Florida
Community Services Unlimited Inc.
Congregations Organized for Prophetic Engagement (COPE)
Consumers for Auto Reliability and Safety
DISABILITY PEOPLES FORUMM UGANDA
East LA Community Corporation
Fair Finance Watch
Fair Housing Advocates of Northern California
Fair Housing Council (FHCSFV)

Faith and Community Empowerment (FACE)

First Community Capital, Inc.

Green America

GreenFaith

Hip Hop Caucus

Housing and Economic Rights Advocates

Housing Leadership Council of San Mateo County

Housing Opportunities Made Equal of Greater Cincinnati

Inland Equity Community Land Trust

Latino Leadership Council, Inc.

Native First Lending

Neighborhood Partnership Housing Services

Oil and Gas Action Network

Pittsburgh Community Reinvestment Group

Public Counsel

Public Justice
Renaissance Entrepreneurship Center
Sacramento Housing Alliance
Sacramento Tenants Union
Sankofa 2020:Agri-Hood
Southern California Black Chamber of Commerce
Stand.earth
Starting Over, Inc.
Thai Community Development Center (Thai CDC)
The Central Valley Urban Institute
THE FAIR HOUSING COUNCIL OF SAN DIEGO
The Multicultural Real Estate Alliance for Urban Change
The Sacramento Environmental Justice Coalition
Ventura County Community Development Corporation
Vermont Slauson Economic Development Corporation

[1] Rise Economy and 100 Organizations Urge Bank CEOs to Make Good on Anti-Discrimination, Racial Wealth Gap Closing Comments Rise Economy thanks the CEOs


[4] Texas Bankers Association v. Consumer Financial Protection Bureau, S.D. Tex., No. 7:23-cv-00144 is the case challenging the rule. The CFPB is charged with developing and implementing the rule, more at: https://www.consumerfinance.gov/1071-rule/#:~:text=Congress%20enacted%20section%201071%20for%20minority%20and%20small%20businesses

[5] InfluenceMap US Banks and Climate-Related Policy


The ABA board consists of representatives of JPMorgan Chase and Washington Federal Bank. The CBA board consists of representatives of Bank of America, BMO Harris, Capital One, Citibank, Comerica, Goldman Sachs, JPMorgan Chase, PNC, SoFi, U.S Bank, and Wells Fargo, amongst others. The California Chamber of Commerce board consists of representatives of Bank of America, East West Bank, JPMorgan Chase, U.S. Bank, and Wells Fargo, amongst others.

Richard Roberts, “Why Companies Need to Lobby for Climate Policy,” MIT Sloan Management Review, April 22, 2024. (As Alberto Alemanno, founder of The Good Lobby, has argued, “The misalignment between what companies say and lobby for” is possibly the major factor preventing advances on major societal issues)


He also emphasizes that the association's members were unified. “We have been gratified by the strong support from across our membership for this legal action, and we look forward to presenting our arguments in court,” he says,” from “Capital One Merger Energizes Opponents of Bank’s CRA Lawsuit,” Capital Account, February 22, 2024.

Chamber over credit card fee lawsuit,” American Banker, April 15, 2024: https://www.americanbanker.com/news/democrats-slam-u-s-chamber-over-credit-card-fee-lawsuit


[14] Corbin Hiar and Timothy Cama, “Climate Strife Divides US Chamber. Will Departures Follow?” E&E News by Politico, March 26, 2024, at: https://www.eenews.net/articles/climate-strife-divides-us-chamber-will-departures-follow/?utm_campaign=P%26P%20%7C%20ESG%20Monitor%20Analytics&utm_medium=email&_hsenc=p2ANqtz-9_IU3h8wbo_CoyqoABgL4CzG80szD7a7c9T1K-tLAnZzc5isYDMzzaJDa04UGWnUycu4ln1VsS48lHxe6L63SAHpU5oQ&utm_content=299897324&utm_source=hs_email&text=At%20least%2037%20member%20corporations%20and%2018%20trade%20associations%20have%20deplored%20the%20powerful%20business%20lobby%20to%20slow%20the%20world%27s%20transition%20to%20a%20low-carbon%20economy.&text=The%20world%20%20able%20company%20efforts%20to%20slow%20%20temperatures
