



June 24, 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 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.<sup>[1]</sup> 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.<sup>[2]</sup>
- The constitutionality of the Consumer Financial Protection Bureau (CFPB).<sup>[3]</sup>
- 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



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

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

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.<sup>[6]</sup>



And, more troubling, the list of banking industry challenges to consumer and community interests only continues to grow.<sup>[7]</sup>

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.<sup>[8]</sup>

*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.<sup>[9]</sup>

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.<sup>[10]</sup> 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.<sup>[11]</sup> Community groups, like our nearly 400 members and our allies across the country, policymakers and the public are taking notice.<sup>[12]</sup>

*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:<sup>[13]</sup>

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.



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.<sup>[14]</sup> And community groups and investors are demanding such action.<sup>[15]</sup> Failure to address misalignment between corporate policies and lobbying activities, whether direct or indirect through a trade association, poses risks to the corporation.<sup>[16]</sup>

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](mailto:kstein@rise-economy.org).



Very Truly Yours,

A handwritten signature in blue ink that reads "Paulina Gonzalez Brito".

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





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

Jamaa Healing Collective Wellness Services

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

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[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



of Amalgamated Bank and Beneficial State Bank for responding directly and fully to the letter, and to the following banks for responding in some fashion: BMO Harris, Capital One, Citibank, Cathay Bank, East West Bank, HomeStreet, Pacific Premier Bank, PNC, and U.S. Bank. The following banks did not respond to our initial letter: American Momentum Bank BankFirst, Banc of CA, Bank of Hope, California Bank and Trust, Charles Schwab Bank, Citizens Business Bank, City National Bank, Columbia Bank, Comerica Bank, Community Bank of the Bay, Deutsche Bank, First Citizens Bank, Flagstar Bank, Frost Bank, Goldman Sachs, Hancock Whitney Bank, Heritage Bank, HSBC Bank, JPMorgan Chase, Lending Club, Luther Burbank Savings, Mechanics Bank, Morgan Stanley, Pacific Western Bank, Prosperity Bank, SoFi Bank, Square Financial Services, Tri Counties Bank, Washington Federal Bank, Wells Fargo, and Zions Bank.

[2] *Chamber of Commerce v. CFPB*, Case 6:22-cv-00381, slip op. (E.D. Tex. Sept. 8, 2023)

[3] *Chamber of Commerce v. CFPB*, Case 6:22-cv-00381, slip op. (E.D. Tex. Sept. 8, 2023)

[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,minority%20Downed%2C%20and%20small%20businesses>

[5] [InfluenceMap US Banks and Climate-Related Policy](#)

[6] [Chamber of Com. of the U.S. v. Calif. Air Res. Bd.](#), C.D. Cal., No. 2:24-cv-00801

[7] The ABA, CBA, and Chamber have sued the CFPB to halt its credit card late fee rule (<https://www.reuters.com/legal/us-consumer-agency-sued-by-banks-us-chamber-over-credit-card-late-fee-cap-2024-03-07/>), and industry groups lobbied heavily to weaken the Securities and Exchange Commission (SEC)'s climate risk disclosure rule, before the Chamber sued to halt the rule (<https://www.reuters.com/legal/us-chamber-commerce-sues-sec-over-climate-risk-disclosure-rules-2024-03-14/>)

[8] 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.

[9] Richard Roberts, "Why Companies Need to Lobby for Climate Policy," MITSloan 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)

[10] "Citigroup is not a named plaintiff in the case, but it [is a member](#) of several of the trade groups that filed the lawsuit, including the U.S. Chamber of Commerce, American Bankers Association and Consumer Bankers Association. The bank declined to comment for this story," Michael Stratford, "Judge overseeing suit over Biden's cap on credit card fees disclosed Citi shares," Politico Pro, April 8, 2024. John Heltman, "Banks' increasing willingness to sue their regulators might backfire, American Banker BankThink, March 19, 2024:  
<https://www.americanbanker.com/opinion/banks-increasing-willingness-to-sue-their-regulators-might-backfire>. Zachary Warmbrodt, "Bank lobby warns Biden of Regulatory 'Tsunami,'" PoliticoPro, December 21, 2023:  
<https://subscriber.politicopro.com/article/2023/12/bank-lobby-warns-biden-of-regulatory-tsunami-00132786?source=email>

[11] "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.

[12] "Public Statement regarding the recent Community Reinvestment Act lawsuit," by Community Opportunity Alliance, National Association of Latino Asset Builders (NALCAB), and National CAPACD, April 19, 2024; Caroline Nagy, "Wall Street Pretends to to Champion Racial Justice as it Undermines Civil Rights," AFR Blog, April 4, 2024:  
<https://ourfinancialsecurity.org/2024/04/blog-wall-street-pretends-to-champion-racial-justice-as-it-undermines-civil-rights/>. Ebrima Santos Sanneh, "Democrats slam U.S.



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>

[13] These recommendations are informed by: Visinovschi I., Willis J., Climate Transition Mismatch for Corporates and Trade Associations, Planet Tracker (2024), at <https://planet-tracker.org/wp-content/uploads/2024/02/Climate-Transition-Mismatch.pdf> ; the report is accompanied by an Investor Engagement Sheet at: <https://planet-tracker.org/wp-content/uploads/2024/02/Climate-Transition-Mismatch-Engagement-Sheet.pdf> , and a Best Practice Guide at: <https://planet-tracker.org/wp-content/uploads/2024/02/Climate-Transition-Mismatch-Best-Practice-Guide.pdf>

[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&\\_hsmi=299897324&\\_hsenc=p2ANqtz-9\\_IU3h8wbo\\_CoyqoABgL4CzG80szD7a7c9T1K-tLANZzc5isYDMzzaJDa04UGWnUycu4ln1VsS48IHxe6L63SAHpU5oQ&utm\\_content=299897324&utm\\_source=hs\\_email#:~:text=At%20least%2037%20member%20corporations,powerful%20business%20lobby's%20climate%20policies.&text=The%20world's%20most%20valuable%20company,efforts%20to%20slow%20rising%20temperatures](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&_hsmi=299897324&_hsenc=p2ANqtz-9_IU3h8wbo_CoyqoABgL4CzG80szD7a7c9T1K-tLANZzc5isYDMzzaJDa04UGWnUycu4ln1VsS48IHxe6L63SAHpU5oQ&utm_content=299897324&utm_source=hs_email#:~:text=At%20least%2037%20member%20corporations,powerful%20business%20lobby's%20climate%20policies.&text=The%20world's%20most%20valuable%20company,efforts%20to%20slow%20rising%20temperatures)

[15] For example, the Bank of America Annual General Meeting Proxy Statement includes Shareholder "Proposal 6: Shareholder proposal requesting report on lobbying alignment with Bank of America's climate goals," at (p. 104): [https://d1io3yog0oux5.cloudfront.net/\\_87c973d6eaec18dc169731b14cf06814/bankofamerica/db/933/9598/pdf/Bank+of+America+2024+Proxy+Statement.pdf](https://d1io3yog0oux5.cloudfront.net/_87c973d6eaec18dc169731b14cf06814/bankofamerica/db/933/9598/pdf/Bank+of+America+2024+Proxy+Statement.pdf)

[16] "Corporates face greenwashing concerns over misaligned trade association memberships," at <https://www.edie.net/corporates-face-greenwashing-concerns-over-misaligned-trade-association-memberships/>