

## FORUM

# Community Reinvestment Act at risk after 41 Years



**Charlene Crowell**  
Guest Columnist

One of the most reliable measures of a community's economic vitality is convenient access to full-service banking. Regardless of whether a community is urban, suburban or rural, both consumers and local businesses rely on brick and mortar bank branches for a wide array of products and services.

New research that measures how well banks serve communities found that America's access to banking expanded from 2015 to 2017 – except when it comes to more than 53 million Black and Latino consumers or others with low incomes or less education.

In summarizing its new survey findings on banking activity during the past 12 months, the Federal Deposit Insurance Corporation (FDIC) noted that 1 in 5 U.S. households – 22.7 million – did not use mainstream credit and that “Black and Hispanic households at every income level evaluated in the survey were more likely to be in this condition than white households.”

“The good news is that our nation's banking sys-



tem is serving more Americans than ever before,” said FDIC Chairman Jelena McWilliams. “The bad news is that even as the overall number of people who are unbanked has declined, 8.4 million households continue to lack a banking relationship.”

McWilliams' statement did not directly address how FDIC found that another 48.9 million adults are underbanked. The difference is important.

Underbanked consumers are those who have a bank account but also turn to alternative fringe financial services like payday and auto loans or check cashing services. By comparison, unbanked consumers are those who have no relationship with mainstream banking at all.

Even more importantly, FDIC's new survey proves how the nation has a nagging, two-tiered system when it comes to financial services: one that serves

white consumers at a growing rate; but leaves behind consumers of color, regardless of income.

Despite this deplorable data, another federal financial agency, the Office of the Comptroller of the Currency (OCC), awards banks and other depository institutions a 93 percent satisfactory or higher rating when it comes to the Community Reinvestment Act (CRA). Although OCC supervises about 20 percent of the nation's banks, these institutions comprise approximately 70 percent of total bank assets.

This year CRA turned 41 years old, having been enacted in October 1977 by President Jimmy Carter. The law was meant to end historical redlining practices that for succeeding generations denied credit to Black America and/or low-income communities.

With a new federal assurance, CRA was to hold banks, credit unions and other depository institutions accountable for local

credit lockouts and other discriminatory practices.

Here's a question to ponder: How can two federal financial regulators reach such different findings on the state of access to banking and credit for Black America?

It's a question that deserves an answer. And fortunately, advocates at both the state and national levels are speaking up. Nov. 15 is the deadline for public comment to OCC on how CRA's regulatory framework should be reformed.

Of key concern to OCC is a proposal named “one ratio” that would reduce the current CRA evaluation into a mathematical formula. Consumer advocates representing different areas of the country view this proposal as a way to water down current procedures that consider key criteria such as geographic availability, borrower profiles, different classifications of lending like mortgages, small businesses and more.

Cathy Hinko, executive director of Louisville's Metropolitan Housing Coalition, filed comments with OCC, citing how Black neighborhoods are already underserved.

“To ease bank anxiety about unclear aspects of CRA, communications among the federal agencies, banks, and community groups could be improved,” wrote Hinko. “However, easing bank anxiety via the one ratio and diminishing the importance of branches, assessment areas, and public input will decrease lending and access to banking in the communities that need it the most.”

“The OCC asks whether CRA consideration should be broadened for additional activities and populations. Industry trade associations have been advocating for CRA consideration for projects that have broad benefits such as financing hospitals that are not necessarily located in low- and moderate-income

neighborhoods,” said the Buffalo-based Belmont Housing Resources for Western New York. “However, the OCC must be reminded that the original purpose of CRA was to combat redlining in low- and moderate-income neighborhoods.”

In Dallas, Diane Ragsdale, founder of the South Dallas Fair Park Inner City Community Development Corp. (ICDC) and a former Dallas Deputy Mayor Pro Tempore, also commented to OCC, “CRA ratings must be reformed so the pass rate is no longer 93 percent ... Lending and access to banking for people and communities of color must be considered on CRA exams. Mortgage company affiliates of banks must be included on CRA exams.”

“No bank that engages in illegal discrimination and/or harmful consumer activities should receive a positive CRA rating,” noted William R. Tisdale, president and CEO of the Milwaukee Fair Housing Council. “We must not slow the progress that has been made. We need to enhance CRA, not weaken it!”

*Charlene Crowell is the Communications Deputy Director with the Center for Responsible Lending. She can be reached at [Charlene.crowell@responsiblelending.org](mailto:Charlene.crowell@responsiblelending.org).*

## We the people must be ambassadors for hope and stamp out hate



**James B. Ewers Jr.**  
Guest Columnist

in the city.

He decided upon this city because one of his fellow dental friends, Dr. J.C. Morgan, had settled in High Point, a city only minutes from Winston-Salem. The rest is history, as he began his practice and gained the respect of people in the city.

There are many people in my hometown and other cities across America that have similar stories. Their migration started with a friend or relative and it grew from there. I have always spoken fondly about Winston-Salem and growing up there. While it wasn't a perfect place, its citizens had respect for one another. Yes, we had major differences, but those differences didn't turn into major violence. Thankfully, our communities in East

America is the melting pot of the world. It has diversity at its core and all people are welcomed here. Years ago, my hometown of Winston-Salem, N.C. was a welcoming place for my father, who was Jamaican. In fact, for a long time my dad was the only Jamaican

Winston didn't experience shootings and killings.

We lived in times when guns weren't your calling cards. We did a lot of talking and little fighting. Back in the day, we sold a lot of “wolf tickets.” You must be in a certain age category to know what a wolf ticket is. Plainly stated, a wolf ticket is an exaggeration of a half-truth. It could also be a total fabrication being told in a convincing manner. Still, with these tickets flying around, we didn't use hateful speech toward each other. We cared about each other and were respectful.

What has happened to us? Where has the civility gone? Has it taken a nap or is it in a permanent slumber? We have lowered the bar on humanity as feelings are hurt and attitudes are negative. America stands at the corner of disrespect and disillusionment. Caring is not trending much these days and we are on a roller coaster of despair.

Are there some responsible parties for this vile behavior? Yes. We are. There are people that spew out venom and un-truths every day. We have gotten accustomed to it and that is the sad part. We have made hate and violence a part of today's landscape. We can blame our leaders, but we have allowed this to happen. We don't say enough and do enough to confront this evil.

Just last week, our nation hit rock bottom again as 11

people were killed at Tree of Life Synagogue in Pittsburgh. It has become painfully clear that places of worship have become battlefields. They are no longer the sacred institutions they once were, at least not in the eyes of the people who commit these heinous acts.

Robert Bowers, the shooter, has been indicted on 44 counts, including federal hate crimes. Bowers, from Baldwin, Pa., was armed with handguns and a Colt AR-15 rifle. This investigation will continue as the FBI is searching for a motive.

The motive is he hated a segment of our community. Bowers will pay for this crime, yet America is in turmoil. Teaching kindness and civility must continue to be our guiding principles. We can never let a few unbalanced people create a culture of hate.

This is our America, not their America. Pray America. Pray.

*James B. Ewers Jr. Ed.D. is a former tennis champion at Atkins High School in Winston-Salem and played college tennis at Johnson C. Smith University, where he was all-conference for four years. He is a retired college administrator. He can be reached at [ewers.jr56@yahoo.com](mailto:ewers.jr56@yahoo.com).*

## How can we make WS/FCS a grade A School Choice District?



**Malishai Woodbury**  
Guest Columnist



**Kris Nordstrom**  
Guest Columnist



**Edwin Bell**  
Guest Columnist

School choice empowers parents to decide which school best meets their child's needs. This move-

ment is transforming K-12 education across the nation. According to an article in the Charlotte Observer, nearly 1 out of 5 students in N.C. attend a non-traditional public school.

Kris Nordstrom, policy analyst of the NC Justice Center, highlighted North Carolina's history about school segregation:

The Pearsall Plan allowed districts to shutter schools that became integrated. It was declared unconstitutional in 1969 in *Godwin v. Johnston County BOE*. In 1971, a team of NAACP lawyers argued in *Swann v. Charlotte-Mecklenburg Board of Education* that the district had to use student assignment and busing to integrate its schools. Progress was sidetracked in 2001 when the Fourth Circuit Court of Appeals declared Charlotte-

Mecklenburg's racial integration plan illegal.

School segregation is associated with increasing racial achievement gaps, dropout rates, and incarceration rates. On average, racially and economically isolated schools attract and retain fewer high-performing teachers and suffer from greater teacher and principal turnover. Such schools are more likely to be older, dilapidated buildings.

By contrast, there are benefits associated with school integration. A recent study found that white student performance remained similar whether they went to a school that was mainly white or one that was mostly black. The positive impacts of school integration go beyond test scores. Students attending integrated schools are less prejudiced, increase cross-racial trust and friendships,

and enhance their capacity for working with others.

The Schott Foundation (2018) rated the states on these criteria for school choice:

States are rated on the extent to which they have instituted policies and practices that lead toward fewer democratic opportunities and more privatization, as well as the guardrails they have (or have not) put into place to protect the rights of students, communities and taxpayers. (p. 2)

The grade for North Carolina was F. More than half the schools in the WS/FCS have a heavy concentration of low-income students. The implementation of the choice pupil assignment plan in WS/FCS has produced a school system that produced only 52.8 percent of third graders reading at grade level (Bragg, 2018,

par. 13). WS/FCS facilitates approximately 30 failing schools, most of which are in the inner city, and all of which are Title I. A Civil Rights discrimination complaint has been filed with the U.S. Department of Justice. Forsyth County is one of the ten most racially and economically segregated school districts of the state (Nordstrom, 2018).

Cookson, Darling-Hammond, Rothman, & Shields (2018) offered four lessons on how to create a system of schools worth attending for all.

Lesson 1: Make All Schools Worthy of Being Chosen

Lesson 2: Ensure Access to High-Quality Schools for All

Lesson 3: Promote Diversity and Inclusion

Lesson 4: Leave No School Behind  
Nordstrom (2018)

specified what voters can do. A recent study of North Carolina school board elections data shows that electing at least one Democrat leads to student reassignment that is 18 percent closer to achieving racial parity for each school. What if we had a majority of Democrats?

*Dr. Edwin Bell is Professor Emeritus of Winston-Salem State University. He was the chair of the Dept. of Education at WSSU.*

*Malishai Woodbury is a professional educator, adjunct lecturer at NC A&T State University in History Dept., and Winston-Salem/Forsyth County Schools District 1 WSFC School Board-Elect.*

*Kris Nordstrom is policy analyst at NC Justice Center.*