



Maryland Consumer Rights Coalition

Testimony to the Senate Finance Committee
SB 15 : Financial Institutions - Commissioner of Financial Regulation - Banking Institution Powers
Position: Unfavorable

January 22, 2020

The Honorable Delores Kelley, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Senate Finance Committee

Honorable Chair Kelley and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in opposition of bill SB 15.

MCRC launched Reinvest Baltimore, a coalition of neighborhood-based organizations, community development groups, housing organizations, and economic and racial justice nonprofits, that work together to advocate for reinvestment capital in Baltimore City. Through this organizing effort, MCRC has connected with dozens of individuals and organizations across the city that are concerned with the lack of investment in their communities. Research has identified a concerning lack of investment in low-and moderate-income (LMI) communities across the state of Maryland.

Financial institutions' reinvestment in LMI communities are regulated by the Community Reinvestment Act (CRA), a law designed to combat redlining by requiring banks to affirmatively and continually meet community needs for credit and banking services in LMI communities.¹ However, the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) have issued a notice of proposed rulemaking that would considerably weaken regulations implementing CRA. With this national level weakening of CRA, financial institutions face fewer regulations governing their investment in LMI communities.

¹<https://nrcr.org/initial-nrcr-analysis-of-the-fdic-and-occ-notice-of-proposed-rulemaking-concerning-the-community-reinvestment-act/>



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In a climate with fewer bank regulations, MCRC is concerned with the weakening of administrative oversight over the activities, services, and other practices of banking institutions. We oppose SB 15 and urge an unfavorable report.

Best,

Marceline White
Executive Director