

AMENDING MOTION

I MOVE, that the JOBS AND BUSINESS DEVELOPMENT COMMITTEE REPORT relative to the potential divestiture of all deposits in banking and other financial institutions that fail to cooperate with foreclosure prevention efforts, Item 11 on today's Council Agenda (CF 09-0234) BE AMENDED as follows:

1. Move Recommendation #5 from the Committee Report into Recommendation #1, requesting the City Attorney to include the following direction in the Ordinance:

“The City Treasurer will establish a system of annual review for financial institutions to include a community reinvestment score for each financial institution; publish said annual reviews and scores and present them to Council on an annual basis; rank order each financial institution in order of community responsibility with contracting preference to be given to financial institutions that perform in the top two deciles and potential divestiture for financial institutions at the bottom of the list.”

2. Include the following language to Recommendation #1, requesting the City Attorney to include the following direction in the Ordinance:

- a. “Information submitted by banks and financial institutions pursuant to this section shall be reported by census tract and tabulated by the income status and race/ethnicity of borrower.”

- b. “The annual statement of community reinvestment goals will parallel the federal Community Reinvestment Act (CRA) evaluation matrix but will be focused on assessment area performance specifically within the City and County of Los Angeles. Financial institutions will submit information according to their classification in one of the following two evaluation categories:

- i. A “local institution” is defined as a financial institution with 80% or greater of its depository and lending operations within the United States Postal Zip Codes of the City and County of Los Angeles, California. The primary test for qualifying as a local institution will be the institutions listing of branch locations as reported in the most recent FDIC Summary of Deposits reference file. For institutions that fall into this “local institution” category, the June 30th FDIC Call Report or NCUA 5300 filing will serve as the basis of numerical analysis.
- ii. A “non-local institution” is defined as a financial institution with over 20% of its depository and lending operations outside the United States Postal Zip Codes of the City and County of Los

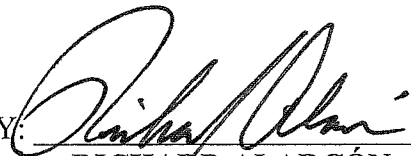
Angeles, California. The primary test for qualifying as a non-local institution will be the institutions listing of branch locations as reported in the most recent FDIC Summary of Deposits reference file. For institutions that fall into this “non-local institution” category, the institution shall provide a supplemental June 30th filing detailing the lending performance elements of an FDIC Call Report or NCUA 5300 report on the branches located within the zip codes of the City and County of Los Angeles.

As part of the annual statement of community reinvestment goals focusing on assessment area performance within the City of Los Angeles, financial institutions should include data addressing:

iii. Lending

- Loan activity within the assessment area versus the institution’s deposit base within the area.
- Community development loans or investments within the assessment area, including loans to nonprofit housing developers for tenants at or below 80 percent of area median income.
- Small business lending, with overall retail borrower penetration report indicating range of income levels and business sizes served, including number of loans to businesses with annual revenue of \$1 million or less.
- Charitable or community investment activities within the assessment area not otherwise specified.

PRESENTED BY:



RICHARD ALARCÓN
Councilmember, 7th District

SECONDED BY:

