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# Holding Banks Responsible By Community Organizing



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San Jose, Calif. -- Last Friday, when the Bank of America opened a new branch on King Road in East San Jose, protestors holding white flowers in their hands gathered outside the building. The flowers, organizers said, symbolized the community's loss of faith with the bank.

East San Jose is at the epicenter of the foreclosure crisis in the Bay Area.

People Acting in Community Together (PACT), an affiliate of the People Improving Communities through Organizing-(PICO) National Network, organized the event, and brought about a dozen people together who planned to divest from the Bank of America. While PACT is focusing on San Jose, PICO, a national network of faith-based community organizations, is taking initiatives in other parts of the country. Vice Mayor Judy Chirco and candidates running for district 5 City Council attended the event.

District 5 candidate J. Manuel Herrera said he has had an account with the bank for almost 40 years, "I declare my intent to divest from Bank of America within 30 days," he said. "It is no longer acceptable for banks to solely focus on their profits with no consideration for community and environment."

The action in San Jose stemmed from a survey PACT did last year in their congregations to assess how the foreclosure crisis had affected them. The survey revealed that when it comes to loan modifications, Bank of America had the worst record in the community. The protestors claimed that Bank of America was not using the money available through Obama's Home Affordable Program (HAMP) to keep families in their homes.

Protestors said that the money they moved out of Bank of America would be invested into more socially responsible institutions. "We realize bank accountability is a larger issue, so we are encouraging congregations, individuals, cities and counties to look at how banks are serving their communities," said Lucy Kolin, national spokesperson for PICO. "If we can get more and more money out of these big banks then we can catch their attention."

According to Adam Kruggel, executive director of Contra Costa Interfaith (CCISCO), which is a member of PICO National Network, "The initial plan for this strategy stemmed from the fact that families and congregations were tired of banks using (their customers') money to exploit our communities.

"Our idea is that the congregations and large institutions -- unions, schools, universities, pension funds, local and state governments -- should start moving their deposits and investments out of banks that are not working to keep families in their homes."

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The network is working to identify banks and credit unions that are committed to ending predatory lending.

Gina Gates and Mercy Martinez, both PACT leaders, had moved their money out of the Bank of America and put it into credit unions in their communities. "This was the same bank that is giving huge bonuses to its executives but wouldn't do my loan modification," Martinez said. "You feel struck as they keep making you go back and forth without doing anything."

She said that interest on her loan had skyrocketed, making it difficult to make payments.

"Bank of America is coming in and not doing loan modifications. Neither are they lending to our small businesses so why should they be here," said Gates. "We think banks only understand dollars. So, we are voting with our dollars."

But Richard Simon, spokesperson for the bank's home loans division defended the bank: "Providing solutions to distressed homeowners has been, and remains, a central focus for Bank of America, and we have been at the forefront of industry efforts."

According to Simon, "Bank of America has been quite responsive to PICO and its affiliates." Bank officials had multiple face-to-face meetings with PICO leaders, he said.

Protestors however, claimed that despite their interactions with Bank of America executives, nothing had changed. They hoped that by divesting their accounts, it would force the bank to clean up its act.

Recently, the Los Angeles city council unanimously passed the Banking Responsibility Ordinance introduced by councilmember Richard Alarcón a year-and-a-half ago. The ordinance directs the treasury to prepare a scorecard and grade banks based on their performance and their service to the community. The evaluations would then be sent to the city council.

"The whole notion behind this initiative is that the governments need to use public dollars wisely," Alacron explained. "We could have great leverage if more municipalities call for bank responsibility within their jurisdiction."

Protestors said that if more cities and counties adopted similar measures, big banks would be more likely to change their corporate policies.

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