



January 24, 2017

## **Banking Committee Will Focus On Empowering Small Businesses and Rebuilding Communities**

During the 100<sup>th</sup> General Assembly that has just begun, I am happy to have been named Chairman of the Illinois House Financial Institutions Committee. This committee is the key Illinois panel to debate and discuss legislation dealing with the banking, savings and loan and mortgage industries in Illinois. Illinois is a leader in the financial services industry: Illinois has more state-chartered banks than any other state in the United States and ranks in the top three states in the amount of total banking assets, total trust assets and number of foreign bank offices. A strong Illinois banking system promotes economic development, supports the growth of small businesses, encourages home ownership and provides for the financial security of Illinois residents.

One of my goals as Chairman of the Illinois House Financial Institutions Committee will be to fight for economic opportunity for every community so hardworking taxpayers can achieve financial independence. We will do our best to find ways to strengthen community banks, learning from the many banks that have failed in Illinois. We will help build up the non-profit credit union industry to provide more options for individuals who struggle to have banking relationships.

A study released in 2015 by the American Civil Liberties Union (ACLU) revealed stark disparities in the amount of wealth American households recovered after the last recession, with white-owned homes and assets recovering more fully than black-owned ones. The ACLU report, which covers the timeframe that includes the recession and the economic recovery, found that average black household wealth dropped 33%, while white household wealth declined by only 12% during that four-year period. An earlier study similarly found that white household wealth dropped 16% between 2005 and 2009, while black household wealth declined by 52%. In the meantime, the Attorney General of New York recently settled a major mortgage discrimination case against a major bank that does significant work in Illinois.

Community banking is built on knowing the community they serve and knowing the customers and potential customers in the neighborhoods where they are doing business. Communities are at their strongest when they have quality schools and are supported by good traditional financial services like credit unions and community banks.

Community banks promote local economic development by growing businesses and helping to create jobs. Community banks serve local economies by tailoring their loans and financial services around the customers within their geographically limited markets. Community banks play a major role in local real estate lending, particularly for housing, another business where knowledge of local conditions and borrowers is necessary. Community banks generally are relationship banks: their competitive advantage is a knowledge and history of their customers and a willingness to be flexible.

We have a lot of challenges on the West Side of Chicago, with the lack of enough strong traditional financial services being available to provide home loans to the community, which can lead to more foreclosures. Community banks are designed to be more flexible and more willing to help if troubles hit a family. Having few good community banks willing to work with families leads to foreclosures and abandoned properties. We need financial services that are

willing to help grow small businesses by providing loans to the many business owners looking to expand and provide more goods and services to their customers, which will in turn lead to employing more people from the communities. We need more financial services to help make payday loans and currency exchanges options for convenience and not the only option. If we are going to have a real shot at building up the West Side and reducing crime, we need a real shot at having access to capital to help make it happen.

I am also looking forward to using this opportunity as Chair to work with Bryan A. Schneider, Secretary of the Department of Financial and Professional Regulation, and the many banks and lenders doing business in Illinois, to better serve those seeking loans in Illinois. Financial institutions are major factors in increasing the number of stronger businesses, families, and communities in Illinois. I will be setting up meetings with leaders in our financial industries to continue to learn the best ways these institutions can help the growth of Illinois, partnering with people of all colors and economic situations.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Ford', with a stylized flourish at the end.

La Shawn K. Ford  
State Representative-Eighth District