

Angry churches pull money from big banks

Josef Kuhn Religion News Service | Nov. 22, 2011

A small but growing number of religious communities across the country are removing their money from Wall Street banks to protest what they see as unfair mortgage foreclosures and unwillingness to lend to small businesses.

The New Bottom Line (NBL) coalition of congregations, community organizations, labor unions and individuals is promoting a "Move Our Money" campaign with the goal of shifting \$1 billion from big banks to community banks and credit unions.

"In a way, the banks have divested from our communities, especially communities of color," said the Rev. Ryan Bell, a Seventh-day Adventist pastor in Los Angeles. "So we're basically telling Bank of America that we want them to invest in our communities, and until they do that we're not going to give our money to them."

Bell's church was one of six Los Angeles Christian congregations that announced they would divest a collective \$2 million from Bank of America and Wells Fargo as part of the Move Our Money campaign.

The campaign has been slow to get off the ground; but after a recent national convocation of clergy in New Orleans, about 100 more leaders from a broad cross section of Christian, Jewish and Muslim congregations pledged to move an additional \$100 million.

The New Orleans gathering was sponsored by PICO National Network, a coalition of more than 1,000 faith-based social justice groups.

The Move Our Money website reports that \$55 million had been moved as part of the campaign as of Monday (Nov. 21), but that figure pales in comparison to the big banks' trillions in total assets.

The campaign singles out Bank of America, Wells Fargo and JPMorgan Chase for not doing enough to provide home loan modifications to help guard against foreclosure; cramping down on small business lending; and escaping federal taxes by parking assets overseas, even after each bank received billions of taxpayer dollars in federal bailouts.

According to Move Our Money organizers, by the end of 2009 Wells Fargo modified loans for only 22 percent of those eligible for modifications under a federal program, and has not changed its foreclosure procedure "despite many confirmed reports of 'robo-signing' and other illegal practices."

Richele Messick, a spokeswoman for Wells Fargo, countered that the bank has participated in more than 600 "home preservation workshops" and provided more than 700,000 mortgage modifications since 2009, as well as giving more than \$219 million to 19,000 nonprofits last year.

"It's definitely our priority to keep people in their homes and to avoid foreclosure. We're also actively lending to small businesses," Messick said.

Bank of America could not be reached for comment. A spokesman for JPMorgan Chase declined to comment, but pointed to the bank's third-quarter earnings report for 2011, which shows that it had increased lending to small businesses by 71 percent from the previous year and had offered 1.2 million trial modifications to home loans since the beginning of 2009.

The Move Our Money campaign is separate from the "Move Your Money" project started two years ago by Huffington Post co-founder Arianna Huffington and economist Rob Johnson.

It is also separate from a recent Facebook group that called for a national "Bank Transfer Day" on Nov. 5 to move funds from for-profit banks to credit unions.

The Credit Union National Association reported that 700,000 people joined credit unions nationwide in the month before Bank Transfer Day -- more than the 600,000 who joined in all of 2010. The Bank Transfer Day movement claims credit for this uptick.

In addition to encouraging private divestments through the Move Our Money campaign, NBL plans to introduce legislation in 50 or more cities around the country that would move taxpayer money out of big banks.

One NBL partner group was already successful in San Jose, Calif., which enacted a social responsibility policy a year ago that diverted \$1 billion from Bank of America. The policy was the first of its kind in the nation, and similar moves are under discussion in Seattle and Portland, Ore.

Rabbi Michael Latz, head of a Reform Jewish congregation in Minneapolis, has participated in meetings with Jewish activist groups and county commissioners discussing a responsible banking policy.

"I'm involved because I think it is one of the great moral issues of our generation, about how we build our communities," Latz said. "As a religious leader, as a person who studies texts, I understand that our first commitment must always be to the most vulnerable among us."

Source URL (retrieved on 01/26/2015 - 15:04): <http://ncronline.org/news/faith-parish/angry-churches-pull-money-big-banks>