

Local Government, Banking Industry, and Community Cooperation: Looking Forward

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Related Volunteer Experience

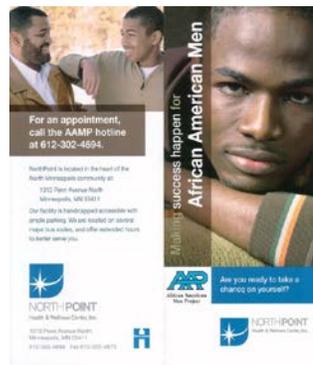


Braintrusts on Housing,
Banking, and Civil Rights,
1978-82

Minneapolis Commission on
Civil Rights,
1984-1994



Pan African Community
Endowment Housing Fund
Steering Committee, 2004-2010
(Minnesota Philanthropy Partners)



African American Men Project Steering
Committee Chair and Advisory Commission
Co-Chair for Hennepin County, 2000-2005

Related Volunteer Experience



Technical Advisory Steering Committee, 2007

The 50/30 Housing Research

Initiative. Steering Committee. Minneapolis Urban League and The Roy Wilkins Center for Human Relations and Social Justice, HHH Institute, UMN-TC, 1997-1999



Un(under)banked Steering Committee, 2008-2009;
Planning and Research Committee, 1997-1999



Town Craft/ Iowa, 2009-2012
Perry, IA. Housing Subcommittee,
Iowa State University

Related Volunteer Experience



- Presented paper in Prague in 2003 on the financial services client/provider relationship with consultant
- Served on Programme Committee in 2005 for organization's first international Financial Services Conference in London, *Financial Services: Getting Closer to Consumers*
- Served as conference chair for *Consumer Insights & Market Research for Financial Services Professionals* in 2006 (Coconut Groove, FL)



Work Related History

- Norwest/Wells Fargo 1987-2010, retired as Vice President, Customer Insights & Analysis Unit within Enterprise Marketing (San Francisco)
- Since 1988, my work involved conducting corporate-wide and line of business research projects from Regional Banking competitive benchmarking surveys ; customer satisfaction/service quality; Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA) initiatives; Mortgage (pricing analysis, diversity, new product development, HR); Small Business Lending; Wealth Management; Credit Card; Internet Services; Corporate Human Resources (includes service on Norwest/Wells Fargo Corporate Diversity Councils); Insurance/Rural Crop Insurance; IT; Legal; Mergers & Acquisitions; and divisions within Enterprise Marketing (Branding & Advertising; Diverse Segments, Privacy, etc.); to creating and managing an enterprise-wide competitive intelligence network

Looking Forward

- Meeting the financial needs of Minneapolis residents and small business owners will require new methods of collaboration among City Government, the local banking industry, and community organizations in order to close the gap that exists for individuals and small business owners needing such services
- Decades of research and initiatives have revealed that although some improvement has been made in providing home mortgages, small business loans, and other financial services to Minneapolis residents, wide disparities still exist particularly among populations of color and particularly when compared to their non-urban counterparts

Looking Forward

- The recovery from the latest financial crisis in 2007-2008 has not dissipated substantially in Minneapolis for the low-to-moderate income populations. The home ownership gap has widened between the less and the more wealthy. Although foreclosure rates have dramatically decreased in Hennepin County and Minneapolis, an increasing proportion of households have mortgages that are underwater or are renting with declining household incomes.

Looking Forward

- Overall, The Responsible Banking in the Twin Cities report (The Report) by the Roy Wilkins Center for Human Relations & Social Justice (The Center) reaffirms the need for new methods of collaboration to mitigate disparity issues in lending and other financial services within Minneapolis and the greater metro region. Their analysis shows that borrowers of color denial rates over the time period (2008-2013) are far higher than those of their White counterparts across all levels of geography; by type of individual method; for the majority of major lenders. These findings reveal there is a metro-wide issue that needs to be addressed for this segment of the population. Non-discrimination in lending (A to A-) tends to be less problematic for the smaller lenders. With the exception of Bremer, HomeServices Lending, and Merchant Bank, the majority of the lenders receive F's for Customer Service (either due to poor answers on the survey or for failing to complete it). It should be noted that the creditworthiness variable was constructed as a proxy since actual credit scores of individual borrowers were not available. Since 2014, the [Consumer Financial Protection Bureau](#) (CFPB) has been investigating the ability to add credit scores to the HMDA data sets.

Looking Forward

- Although the United States Congress, since the 1970's has required banks to report its lending and servicing activities via HMDA and CRA legislation (1975 and 1977 respectively), since 1991, 12 municipalities have found it beneficial to pass Responsible Banking ordinances to provide additional local monitoring of financial institutions that are doing business with the City, and that they are in fact, acting responsibly in the community. Eleven of these 12 cities have an Oversight Body to enforce the ordinance and four have also included community and/or business representatives as members (Cleveland, New York, Pittsburgh, and Boston). It is my recommendation that the City of Minneapolis consider establishing a similar Oversight Body as well. This will ensure that the City is receiving the best guidance on this issue from the broadest range of its constituents.

Looking Forward

- Nationally, this represents a unique collaboration that has existed between City government, university research policy entities, a local foundation, and community social justice/action organizations over the last year and a half or so, and can serve as a role model for other cities and municipalities to adopt nationally and internationally. The process offers a diverse set of methodologies and strategies that can involve the participation of the local financial business community as well with improved performance for all parties involved as an outcome. It is recommended that such an analytical framework also be incorporated within the Oversight Body roles and responsibilities, if such an entity is created. This Score Card approach will offer the City and its constituencies a meaningful analytical method to compare the performance of financial institutions within its marketplace over an extended period of time while offering viable solutions to improve performance where needed.

Ensuring Meaningful Implementation of Responsible Lending Laws

- The overall goal of a responsible lending philosophy/legislation is to ensure that the greatest proportion of citizens/businesses are financially literate, have access to affordable credit, and that they know how to use it responsibly. This in turn should lead to healthier economic growth along with increased access to capital; improved socio-economic stratification and improved opportunities for the disenfranchised; and an improved sense of justice, that is, reduced predatory lending behaviors due to better laws/regulations and their enforcement.