



# The District's Dime

Going Beyond the Budget Book

The DC Fiscal Policy Institute blog  
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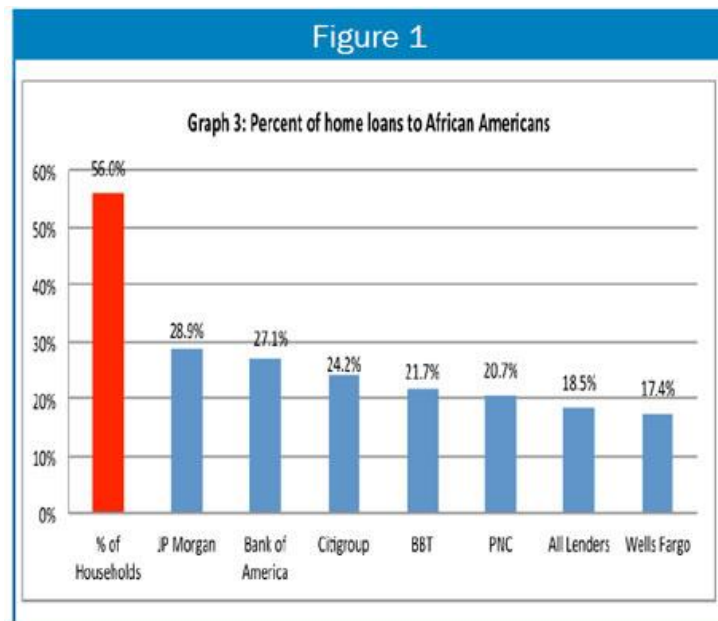
## Lending Community Prosperity for All of DC

By Sarah Scruggs, Director of Advocacy and Outreach, Manna Inc.

This week, the National Community Reinvestment Coalition released an [analysis of home lending, small business lending, and bank branches](#) in the District. The report shows significant racial and gender disparities in home lending. In general, financial institutions in the Washington, DC market, as a group made up a disproportionately low percentage of home loans to African-Americans, low- and moderate-income borrowers, and female borrowers.

Among the significant findings:

- African-Americans are 56 percent of District households, but only make up 18.5 percent of DC households who received home loans in 2011.
- Low-and-moderate income households are 40.9 percent of the city's households, but made up only 22.9 percent of the borrowers among the area lenders studied.
- Women are the breadwinners in 47.9 percent of the city's households, but received just 31.4 percent of all loans issued in the city.



In fact, non-white and low-and-moderate income borrowers were denied loans at roughly two times the rate of their white and middle- and upper-income peers.

The data also shows that low-and-moderate income communities, which are predominantly non-white in the District, have few bank branches, particularly east of the Anacostia River in Wards 7 and 8.

The District can follow the lead of Boston, Minneapolis, and at least 10 other cities by passing [local responsible banking ordinances](#) as a way to ensure good banking services are available to all. That's the point of the [Community Development Amendment Act of 2013](#), which was introduced by Council member Jack Evans earlier this week.

This legislation would:

- Require banks doing business with the District of Columbia to create a plan to serve all borrowers and communities in Washington DC.
- Require DC's Department of Insurance, Securities and Banking to rate each plan, and this rating would be considered by the DC Treasurer in making decisions on where to put the city's deposits.
- Require the plans and ratings be posted online and subject to public comment.

A group of DC churches and community groups who have worked with and in underserved communities are supporting this legislation. Low-income borrowers with fixed-rate loans actually did very well during the housing crisis. Lenders doing business with the DC government need to step in and do business with these credit-worthy residents.

