CAPITAL CONNECTIONS

HUD Secretary pledges support

Before a cheering audience of 600 ACORN members gathered in Washington, D.C., on February 8, HUD Secretary Henry Cisneros donned an ACORN button and pledged to meet once a month with ACORN leaders "in my office or yours."

The event was Cisneros' first public meeting with a community organization since taking office as Secretary of HUD. Responding to questions from ACORN leaders, he agreed to turn over abandoned HUD houses to ACORN and other non-profit housing develoeprs, use HUD testers to combat mortgage discrimination, join ACORN in fighting homeowners insurance redlining, and set tough affordable housing goals for Fannie Mae and Freddie Mac.

Following Cisneros to the podium was Federal Reserve Board Governor Lawrence Lindsey whose attempt to justify the Fed's policy of further bank deregulation drew sharp criticism. In contrast to the warm receiption ACORN members gave Cisneros, Governor Lindsey left the meeting with a clear understanding that ACORN members were 100% opposed to the Fed's policies and would be pressing President Clinton to appoint Federal Reserve Board Governors who represent low and moderate income communities in the future.

White House promises access

Earlier in the day, a delegation of six ACORN leaders met with Clinton's Chief of Staff, Mack McLarty, at the White House. In 45 minutes of discussions, McLarty pledged to provide ACORN with access to and involvement with the Administration as policies and programs are developed in ACORN's areas of interest including banking, housing and education reform. He also promised to arrange for a senior staff person to serve as a liaison to ACORN from the White House and to request that the Departments of HUD, Treasury and Education appoint similar liaisons.

On banking issues, ACORN had already initiated discussions with top Clinton appointees Frank Newman, Undersecretary of Treasury for Domestic Finance, and Gene Ludwig, the new Comptroller of the Currency. On the agenda: ten things the Administration can do without new legislation, including strengthening CRA, using testers to enforce fair lending laws, and making HMDA data available in more user-friendly forms.

These and other recommendations are part of "Capital and Communities: A Progressive Finanical Reform Agenda" issued by ACORN in January. The widely-circulated report, centered on the principle that access to capital is the key to neighborhood revitalization, also details legislative proposals.

For information, contact Steve Kest, 718-693-6700.

ISSUES & ACTIONS

Flexing political muscle

NEW YORK

In a dramatic show of strength, 1500 Brooklyn and Queens ACORN members turned out for a meeting with New York City Mayor David Dinkins and Board of Education President Carl McCall on January 29.

At the meeting, McCall presented ACORN with the lease for a building that will become the new elementary school in Flatbush's Frozen Zone that ACORN members have been fighting for over the past two years. McCall also pledged to work in partnership with ACORN in developing four new innovative high schools in our neighborhoods.

Also at the meeting, ACORN signaled the organization's intention to work for the re-election of Mayor Dinkins and delivered to the Mayor registration cards for over 50,000 new voters registered by ACORN.

After-school programs

BOSTON

Weather forecasters warned everyone to stay home but 60 ACORN members and a few city officials braved the worst snowstorm of the year to attend a meeting on the need for after-school programs for Boston's children. ACORN had dramatized the problem with a visit to the Mayor's office by busloads of children. Then, borrowing New York ACORN's approach to creating alternative schools, parents devoted many hours to discussions about what kind of programs would best serve the students' needs. Their recommendations include computer and science clubs plus tutoring in specific subjects. While pushing for an overall increase in city funding for after-school programs, ACORN has also proposed a parent-controlled pilot program in five neighborhood schools.

Budget reform

MINNEAPOLIS

ACORN members were already outraged over cuts in neighborhood services and increased fees when they packed a recent Minneapolis City Council budget hearing. Their ire only grew when they found out that the Council planned to vote on the budget that night despite the scant opportunity for public comment.

Two weeks later, five Council members accepted ACORN's invitation to a community meeting where proposals to reform the budget process were presented. The Council members agreed to a neighborhood-based strategy for publicizing budget hearings and a two week delay between the hearing and the final vote.

For information, contact Steuart Pittman, 202-547-2500.

Bankers back down on CRA revisions

ACORN's attention to the transition extended beyond the Clinton Administration to the American Banker's Association which was sending another Arkansan to Washington as its new chief executive. Meeting both in Little Rock and Washington, ACORN leaders pressed Bill Brandon, the incoming ABA head, to drop the industry's campaign to gut the Community Reinvestment Act.

Even though ACORN soundly trounced the last attempt to weaken CRA, the bankers group has been gearing up for a campaign for "regulatory relief" from the new Congress and Administration.

Perhaps remembering ACORN's previous demonstrations at their offices, the ABA placed a call two days before ACORN members were scheduled to arrive in Washington for their February Legislative Conference. The bankers agreed to drop their advocacy of an exemption for all banks and a "safe harbor" protecting banks with satisfactory ratings from CRA challenges.

For information, contact Deepak Bhargava, 202-547-2500.

Mega-merger protest gets results

Bank of America was the target of ACORN actions across the country at the close of the year. The second largest bank in the country, B of A was taking over First Gibraltar Savings and Loan of Texas in a deal that promised New York billionaire and Revlon owner Ronald Perelman huge profits at taxpayer expense.

Along with actions on the federal regulators involved in the deal, ACORN members staged demonstrations at Revlon counters to get Perelman's attention.

Both Perelman and B of A got the message. At a meeting in New York, Perelman's staff agreed to develop a partnership to expand ACORN's better schools campaign. Bank of America agreed to invest one billion dollars in low-income Texas neighborhoods—too little by ACORN standards—but negotiations continue over proposals to make mortgage loans available in other ACORN cities.

For information, contact Steuart Pittman, 202-547-2500.

LEGISLATIVE UPDATE

Mortgage insurance trade group agrees to disclosure

ACORN's work with Representative Maxine Waters (D-CA) to strengthen the Community Reinvestment Act (CRA) paid off even before the bill was introduced. A key provision of the legislation would bring mortgage banks and Private Mortgage Insurance companies under effective federal regulation. Apparently seeing the handwriting on the wall, the trade group Mortgage Industry Companies of America announced that private mortgage insurers would begin voluntary disclosure of information required of other lenders by the end of the year.

Putting the community in Community Development Banks

While supporting President's Clinton's proposal to create a network of community development banks, ACORN's testimony before two Subcommittees of the House Banking Committee included recommendations to ensure that low-income communities come out ahead. ACORN opposed any weakening of Community Reinvestment Act requirements for banks that invest in the new community development banks and proposed that federal funds go not only to South Shore Bank-type initiatives but to credit activities sponsored by community groups, such as loan counseling. In addition, ACORN argued that these new financial institutions should be required to have a majority of low and moderate-income residents on their governing boards.

100 ACORN lobbyists hit the Hill

ACORN leaders from across the country spent five days in Washingon, D.C. in February working on ACORN's legislative agenda. They visited Congressional offices to press for support of ACORN positions on banking, housing, insurance and education reform. In all, ACORN members met with 40 Representatives and 25 Senators or their staffs. Legislative Conference participants also attended a series of workshops on the issues and how to lobby effectively.

For information, contact Deepak Bhargava, 202-547-2500.

ACORN takes root in Washington state

In mid-November, Tacoma residents formed the first ACORN chapter in Washington state and named it EARS— East Area Residents for Safety. Two days after its initial meeting, the group crashed a school board meeting to demand that parents be notified when a sex offender is about be to released from prison. ACORN members were invited to meet with two assistant superintendents who upon hearing testimony from parents agreed to the policy change the group proposed. With a victory in hand, EARS took up the next issue on its agenda—speeding and the need for stop signs at dangerous intersections.

The first Seattle chapter—South End Neighborhood Improvement Organization—focused on crime, drugs, and police response time. They've already succeeded in getting better street lighting installed. Residents of the Columbia/Hillman neighobrhood of Seattle formed the third ACORN chapter and began a campaign to take back a local park. During the group's recent rally mounted police showed up to post Drug Free Zone signs around the park.

In little over three months, Washington ACORN has 187 dues-paying members each belonging to one of the three newly-formed neighborhood groups. The groups are working independently on very local concerns and joining forces to tackle the issue of insurance redlining. The state insurance commissioner has agreed to attend an ACORN sponsored hearing on the subject in early March.

For information, contact Barbara Barron, 206-292-7544.