



WASHINGTON BUREAU · NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

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## ACTION ALERT

**DATE:** January 26, 2009  
**TO:** Concerned Parties  
**FROM:** Hilary O. Shelton, Director, Washington Bureau

### **NAACP Urges President Obama to Ensure That Funds to Help Financial Institutions Preserve Accountability of Those Who Discriminated In Lending**

*T.A.R.P. MUST ALSO HELP HOMEOWNERS AND COMMUNITIES HARD HIT BY FORECLOSURE AND MAKE CREDIT AVAILABLE TO SMALL BUSINESSES*

#### **THE ISSUE:**

On January 12, 2009 then-President Bush, at the request of incoming President Obama, asked Congress to release the second half of the \$700 billion appropriated in October to help the ailing financial services industry. Congress, which had 15 days to reject the request, has agreed to it and the second \$350 billion appears poised to go to the Department of Treasury on January 27, 2009. The legislation to provide the remaining \$350 billion is known as T.A.R.P., the Troubled Asset Recovery Program.

Due to years of discriminatory and unscrupulous lenders targeting their predatory loans to racial and ethnic minority Americans, and disproportionately African Americans, our Nation's foreclosure crisis has disparately affected America's communities of color. For this reason, the NAACP is especially concerned that (1) at no point are financial institutions allowed immunity for their past discriminatory activities; (2) the taxpayer money being spent to help financial institutions stay afloat directly benefits homeowners facing foreclosure; and (3) the financial institutions be obliged to ensure that credit, which is currently difficult to obtain for many small businesses, especially women-owned businesses and those owned by minorities, be made available.

As such, we are urging President Obama and his administration to resist any calls from financial institutions that would result in their not being held accountable for their past discriminatory actions which led in a major way to this financial crisis, especially when those actions disproportionately targeted and harmed racial and ethnic minorities and other vulnerable populations. We are also urging the Obama administration to use a large portion of the \$350 billion about to be released to require that financial institutions assist homeowners facing foreclosure enter into loan modifications that result in enabling them to stay in their homes while still paying sustainable, market-rate mortgages. Finally, we are calling for the Administration to ensure that a significant portion of the \$350 billion is provided to smaller financial institutions that service small women-and minority-owned businesses.

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### **THE ACTION WE NEED YOU TO TAKE:**

Contact President Obama and **URGE HIM TO ENSURE THAT FINANCIAL INSTITUTIONS ARE HELD ACCOUNTABLE FOR PAST DISCRIMINATORY ACTS, AND THAT THE TARP MONEY GOES TO HELP HOMEOWNERS AVOID FORECLOSURE AND MAKE MORE CREDIT AVAILABLE TO SMALL WOMEN- AND MINORITY-OWNED BUSINESSES.** To contact your Senators and Representative, you may:

✓ **Make a Phone Call:**

Call President Obama at the White House. The switchboard phone number is **(202) 456-1111** (see message section, below).

✓ **Write a Letter**

To write letters to President Obama, send the letter to:

President Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

**A SAMPLE  
LETTER IS  
ATTACHED**

### **THE MESSAGE**

- The past discriminatory predatory lending practices of several financial institutions has led to the disproportionate destruction of individuals, families, neighborhoods and communities of color.
- Financial institutions must be held accountable for their past discriminatory actions.
- The taxpayers' money should be spent not only to keep financial institutions solvent, but also at helping homeowners stay in their homes through loan modifications that result in sustainable, market rate mortgages.
- We must also ensure that the TARP money is used to help the financial institutions that service small women- and minority-owned businesses. Small businesses must be able to get the credit they need if we are going to ensure the continued viability of our economy.

THANK YOU FOR YOUR ATTENTION TO THIS IMPORTANT MATTER!!!  
If you have any questions, call Hilary Shelton at the Washington Bureau at (202) 463-2940.

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## Sample Letter

(date)

The Honorable Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

### **RE: PROTECTING AGAINST DISCRIMINATION AND ENSURING TARP FUNDS ARE SPENT TO BENEFIT ALL AMERICANS**

Dear Mr. President;

Due to years of discriminatory and unscrupulous lenders targeting their predatory loans to racial and ethnic minority Americans, and disproportionately African Americans, our Nation's foreclosure crisis has disparately affected America's communities of color. For this reason, I strongly urge you to ensure that (1) at no point are financial institutions allowed immunity for their past discriminatory activities; (2) the taxpayer money being spent to help financial institutions stay afloat directly benefits homeowners facing foreclosure; and (3) the financial institutions be obliged to ensure that credit, which is currently difficult to obtain for many small businesses, especially minority -owned businesses and those owned by women, be made available.

The past discriminatory predatory lending practices of several financial institutions has led to the disproportionate destruction of individuals, families, neighborhoods and communities of color. Financial institutions must be held accountable for their past discriminatory actions. Specifically, I strongly urge you to resist any calls from financial institutions that would result in their not being held accountable for their past discriminatory actions which led in a major way to this financial crisis, I further hope that you will use a large portion of the \$350 billion about to be released to require that financial institutions assist homeowners facing foreclosure enter into loan modifications that result in enabling them to stay in their homes while still paying sustainable, market-rate mortgages. Finally, I urge you to take steps to ensure that a significant portion of the \$350 billion is provided to smaller financial institutions that service small women-and minority-owned businesses.

Thank you for taking the time to address my concerns; I look forward to working with you to ensure that the money spent to help our nation's financial institutions is spent wisely and productively. I further look forward to working with you to ensure that all financial institutions are help accountable for past discriminatory acts.

Sincerely,

(sign and print your name and  
remember to include your address)