



April 15, 2021

The Honorable Al Green
Chairman
House Financial Services
Subcommittee on Oversight and Investigations
2347 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Green:

I write to you on behalf of the National Bankers Association (NBA), the leading trade association for the country's Minority Depository Institutions (MDIs) to express our support for H.R. 2516 the "Promoting Diversity and Inclusion in Banking Act of 2021" (Act). The Act is a historic and important first step in Congress more fully embracing its role in supporting MDIs and creating a regulatory and operating environment that will help to ensure that MDIs continue to play a vital role in meeting the banking and credit needs of communities of color throughout the country.

Since the NBA was founded in 1927, the National Bankers Association has served as a voice for Black and other minority-owned banks. Now, with membership that includes Hispanic-American, Asian-American, Native-American, and women-owned banks, our reach extends across the country. We believe strongly in advocating for not only our member banks, but also the communities they serve. Our members help low and moderate-income communities in twenty-two states, and they are committed to providing economic revitalization to families in those neighborhoods. Many of our member institutions have become banks of last resort for consumers and businesses who are underserved by traditional banks and financial service providers.

Most of our member institutions are regulated by either the Federal Deposit Insurance Corporation or the Office of the Comptroller of the Currency. Current federal statute requires these agencies to preserve and promote minority depository institutions by (i) preserving the number of MDIs, (ii) preserving the minority character of MDIs in case of merger or acquisition, (iii) providing technical assistance to prevent insolvency, (iv) promoting and encouraging creation of new MDIs and (v) providing for training technical assistance and educational programs. In the thirty years since the law was enacted, the agencies have done little to effectuate the critical purposes underlying the statute, as a result, minority communities have been significantly damaged on a nationwide basis.

The failure of these agencies to examine minority depository institutions' activities accurately or appropriately in accordance with the law has resulted in a dramatic decline in the number of minority-owned banks over the past decade. Your bill seeks to ensure that federal regulators hold financial institutions to diversity and inclusion goals and it is our hope that in doing so, these agencies will also realize the importance of diversity in their examiner ranks. We fully agree with your premise that highly inclusive organizations, especially those that strive for diversity in all aspects of their workforce and business, have been shown to be more productive and profitable. That is why including D&I measures within the examination process will illuminate whether institutions may be at risk of competitive disadvantage due to inadequate diversity initiatives.

The NBA enthusiastically supports H.R. 2516 and commend your leadership in supporting the promotion of diversity and inclusion in the country's financial sector.

Sincerely,

A handwritten signature in blue ink that reads "Robert James II". The signature is written in a cursive style with a double underline under the name.

Robert James II
Carver State Bank
Chairman, National Bankers Association