



January 31, 2022

The Honorable Sherrod Brown
Chairman
Senate Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Brown:

Since its founding 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, 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.

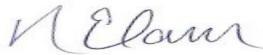
Most of our member institutions are regulated by either the Federal Deposit Insurance Corporation or the Office of the Comptroller of the Currency. We are writing to provide our perspective regarding your impending consideration of nominations for important leadership posts within both agencies. Current 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.

We applaud President Biden's nomination of Dr. Lisa Cook, a longstanding supporter of minority depository institutions, to serve as the first Black woman and Dr. Phillip Jefferson to serve as the fourth Black man on the Board of Governors of the Federal Reserve System. Dr. Cook, known for her authority on banking systems and economic growth, and Dr. Jefferson, who has previously served at the Federal Reserve, are two outstanding and experienced economists. If confirmed, the NBA looks forward to working with the entire Board on efforts to enhance the agency's work to preserve and promote minority depository institutions (MDIs).

It has been 30 years since the current federal MDI statute was enacted. The Board's actions to date are essential steps in the right direction yet much work remains to reverse the significant damage to minority communities and the steady decline of minority-owned banks. The NBA looks forward to bank examiners increasing their understanding of the unique operating environments associated with our member institutions' economically distressed communities. We urge the Board to emphasize the current law's mandate of collaboration in the regulatory treatment of our banks, which have remained mission-focused while maintaining safe and sound institutions that protect the hard-earned resources of our customers. It is crucial that economic policymakers and regulators alike are not only diverse in thought and background but also lived experience. As critical decisions that impact the lives of all Americans are being made, it is essential that they are informed by a diversity of perspectives.

Again, we offer our enthusiastic support of Dr. Cook and Dr. Jefferson's nominations and urge the Senate to move swiftly to confirm these nominations. Thank you for considering our position on these important appointments and we welcome the opportunity to engage with your committee on your overall plans to help the American economy rebuild in a more equitable, sustainable fashion.

Respectfully,

A handwritten signature in cursive script, appearing to read "N. Elam".

Nicole A. Elam
President and CEO
National Bankers Association