

# SEIU Principles for Holding America's Largest Banks Accountable to Consumers and Working Families

Over the last 10 years, the largest banks in America have nearly doubled their control of the banking industry as consumers and working families in particular have been hit with an explosive increase in banking fees, deceptive credit card marketing and billing tactics, and subprime, predatory, and discriminatory lending. Instead of using their market power to bring down fees and create fairer products, the nation's largest banks—Bank of America, Citibank, JPMorgan Chase, Wachovia, Wells Fargo, and Washington Mutual—are driving the surges in fees and credit card interest rates. With federal regulators turning a blind eye, and the biggest and most powerful banks in America exerting a disproportionate and dangerous influence on the industry as a whole, the following measures are urgently needed to protect consumers and working families:

**1. Basic standards for fees and interest rates on credit cards, bank accounts, and other bank products.** With the Military Lending Act of 2006, Congress recognized the need to protect military families from predatory and abusive lending practices, but consumers—and working families in particular—remain vulnerable to skyrocketing fees and interest rates. *Congress must set basic, enforceable standards for fees and rates on credit cards and bank accounts, and end practices such as mandatory arbitration and universal default to protect all consumers and ensure the leading banks' practices are reasonable, fair, and in the public interest.*

**2. 'Super' CRA requirements for the largest and most powerful banks.** The nation's largest banks have a greater ability to impact the lives of working families in communities around the country and should be required to attain and maintain "Outstanding" Community Reinvestment Act (CRA) designations that include evaluations of economic and market-by-market impacts, and racial disparities. In particular, the largest and most powerful banks should be held to higher, "super" CRA standards:

1. *Commit at least 1% of the market value of an acquisition to bona fide CRA investments.*
2. *Offer a suite of federally-defined banking and credit products tailored to low-income customers, such as anti-payday loans, basic no-fee checking accounts, and low-cost remittances.*
3. *Build 50% of new urban branches in low-income and minority census tracts.*
4. *Achieve mortgage lending parity by race by market within five-ten years.*

**3. Permit FTC scrutiny of bank practices and allow state attorneys general to enforce state and federal consumer protections.** As the financial services industry continues to consolidate, it's more important than ever that lawmakers subject these banks—America's top credit card issuers—to a higher degree of scrutiny while also holding them to a higher standard of fair lending, safety, and soundness. *Congress must open the biggest banks to Federal Trade Commission (FTC) oversight with respect to unfair and deceptive acts and practices (UDAP), empower state attorneys general to enforce state and federal UDAP laws against federally-chartered banks, and permit consumers a private right of action to help hold these banks accountable in a way that is efficient and cost-effective.*

**4. Strict enforcement of the 10% cap on bank deposits.** Congress has determined that the best way to protect consumers is to ensure healthy competition in the banking industry—including barring any single bank from controlling more than 10% of total bank deposits nationally. Yet in practice the nation's largest banks have been permitted to test this limit, most recently in the case of Bank of America's acquisition of LaSalle Bank in Chicago. *Lawmakers must aggressively and continuously enforce the 10% cap on bank deposits, and set standards for independent calculation of bank deposits. In addition, Congress should make the 10% cap absolute, allowing no distinction between banks that grow 'organically' over time and banks that acquire competitors to reach the limit.*

With 1.9 million members, the Service Employees International Union (SEIU) is the fastest-growing labor union in North America. Together with consumer advocacy organizations and elected and community leaders around the country, we're leading efforts to hold the nation's largest banks accountable to working families and our communities.