



GLOBAL FAIR BANKING INITIATIVE

Expanding the Conversation on
Responsible and Fair Lending Worldwide

NATIONAL
COMMUNITY
REINVESTMENT
COALITION

NCRC

Acknowledgements

The National Community Reinvestment Coalition (NCRC) is grateful to the Ford Foundation, and in particular George McCarthy, for providing us the opportunity to realize significant economic justice goals through collaboration with groups addressing fair banking issues worldwide.

The Ford-funded Global Fair Banking Initiative has connected organizations worldwide to form the Global Community Reinvestment Coalition (GCRC) and the European Committee for Responsible Credit and other emerging coalitions, to enable information sharing, networking, peer assistance, training and to serve as a hub for planning and strategy development. We are also thankful to HSBC and Citigroup for supporting our international conference in Brussels.

NCRC would also like to recognize Board member and Chair of NCRC's Global Committee Maryellen Lewis of Michigan State University's Community and Economic Development program,

for envisioning the Global Fair Banking Initiative concept. Maryellen's project guidance, vital research on fair finance issues and outreach efforts have pushed this project ever forward.

Our thanks also goes to NCRC Board member and co-chair of the Global Committee Matthew Lee, Inner City Press/Fair Finance Watch, for his research and exploration on consumer protection legislation in the US and abroad. In addition, we are grateful for the support of the entire NCRC Global Committee Board members: Gail Burks, Nevada Fair Housing Center; Malcolm Bush, Woodstock Institute; Pete Garcia, Chicanos Por La Causa; Ed Gorman, American Community Partnerships; Jeanne Mirer, International Association of Democratic Lawyers; and Marina Rota, Johns Hopkins University.

We are indebted to Prianjali Mascarenhas for her dedication to this project in its early stages, and to the interns who

formed the backbone of this Ford-funded Global Initiative.

Our Global Fair Banking Initiative would not be possible without the visionary leadership of NCRC President and CEO, John Taylor. John has dedicated valuable time and energy to overseeing all aspects of this project and has personally represented NCRC at numerous global forums and activities.

Most of all, we appreciate all of the international allies of NCRC's Global Fair Banking Initiative. In particular, we are profoundly grateful to Udo Reifner, Institut Für Finanzdienstleistungen (iff) and to Damon Gibbons, of Debt On Our Doortstep (D.O.O.D.), two of our most supportive partners.

Without all of these individuals' generous assistance and passionate dedication for global economic justice, this Initiative could not have moved forward.

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History and Purpose

Since the early 1990s, the globalization of capital has escalated, and with it the urgent need for strong consumer protections in all places; for inclusive access to credit, capital and financial services irrespective of geography; and for broader, deeper public understanding of the role and obligations of private-sector financial institutions within local and global economies.

For over a decade, NCRC has worked on the frontier of citizen action related to the private financial sector. In 1994, the U.S. Congressional Black Caucus invited NCRC President John Taylor to South Africa to meet with representatives of Nelson Mandela's newly formed government. The leadership of the African National Congress (ANC) at that time was struggling to find ways to reconnect to the international private financial sector, provide financing for affordable housing and small business initiatives; and in general to engage overseas financial institutions to investment in South Africa's hard-won non-apartheid future.

During his first meeting with ANC Senators, Taylor was shocked to see documents with the American Bankers Association letterhead outlining, among other things, why the U.S. Community Reinvestment Act (CRA) would be bad for South Africa.

The documents were especially startling because CRA had already proven to be a keystone in the U.S.'s fight against discrimination and efforts to safeguard the access of minorities, women and low-income communities to the flow of capital that is critical for economic resiliency, renewal and growth. Two decades of CRA

demonstrated indisputable evidence: by 1994, CRA commitments by banks totaled over \$60 million. By 2006, those commitments had grown to over \$4.2 trillion! CRA was working and having in impact all across the U.S. The law made it clear that banks have an "affirmative obligation" to serve the convenience and needs of their communities, regardless of race, ethnicity, gender or other protected class of persons.

Considering that American banks did not openly operate in South Africa in 1994, finding such propaganda in the offices of the ANC could only mean South African banks were bent on preventing their nation from learning from the U.S. experience, and developing CRA-like policies of their own. In America, CRA worked to secure the rights and opportunities of traditionally excluded populations; the same effect in South Africa would be astronomical. The surprising documents cued NCRC's leaders to the realities of financial globalization. The need for NCRC to connect with a global citizenry on issues of financial access became glaringly apparent.

From those early and continuing conversations in South Africa, a law

modeled after the U.S. Home Mortgage Disclosure Act (HMDA) was enacted, and was soon followed by the early stages of South African CRA legislation.

The momentum for a more active NCRC Global Fair Banking Initiative escalated after the year 2000. Taylor was joined by strong Board leadership from Maryellen Lewis who shared his vision for NCRC to reach out globally - not only to assist others to protect themselves from exclusionary and predatory practices exported by U.S. banks and other financial institutions, but also to locate allies for a long-term effort to enact global economic justice principles. Global support was needed to bring economic justice principles to international regulatory bodies such as the Basel Commission and the World Trade Organization.

The NCRC Global Fair Banking Initiative, chaired by Maryellen Lewis and co-chaired by Matthew Lee from Inner City Press/Fair Finance Watch, tailored NCRC's global work around five objectives. In the fall of 2004, with support by a seed grant from the Ford Foundation, NCRC's global initiative began to expand and build extensive international partnerships, aimed at increasing community consciousness and collaboration around matters of international financial services.

Executive Summary

The goal of NCRC’s Global Fair Banking Initiative is to build international collaboration with NGOs and sympathetic government agencies committed to increasing access to credit, capital and banking services and to eliminating predatory lending.

The Initiative had five objectives:

- (1) Conduct three economic justice conferences across the globe to exchange information and ideas on how to address the exclusionary and/or predatory practices within the financial services industry.
- (2) Establish a web site devoted to global fair banking issues, to serve as a depository for information, resources, laws, strategies and other assistance to NGOs and others to promote fair lending and access.
- (3) Develop a global listserv to facilitate ongoing dialogue among those working internationally to promote fair access to capital, credit and financial services.
- (4) Develop a compendium of financial services laws and regulations in different countries.
- (5) Write three briefing papers designed to enlighten NGOs and governments and expand their awareness of fair access and anti-predatory lending activities.

The progress under each of these objectives was significant and is as follows:

OBJECTIVE	RESULTS	PAGES
1. Conduct Three Economic Justice Conferences	15 conferences coordinated. Thousands attended from 80 countries.	6 - 9
2. Establish Global Web Site	Completed.	13
3. Develop Global Listserv	Completed.	13
4. Develop Compendium of Financial Laws	Completed.	12
5. Write Three Briefing Papers	Five completed.	12

Executive Summary

The Global Fair Banking Initiative has had extraordinary early success.

Our partners and collaborators are the key to our success. In May 2005, the United Nations recognized NCRC's efforts and granted it "Special Consultative Status," inviting NCRC to participate in the UN Economic and Social Council. A European version of NCRC is now established and operative. An international NCRC-like organization -- the Global Community Reinvestment Coalition (GCRC) -- has also been created. Local community action on economic justice matters is prevalent and growing in dozens of nations. And most important of all, communication across national borders among NGOs, governments and lenders on matters relating to fair lending, predatory lending and consumer protection has expanded to an unprecedented level.



Global Collaboration

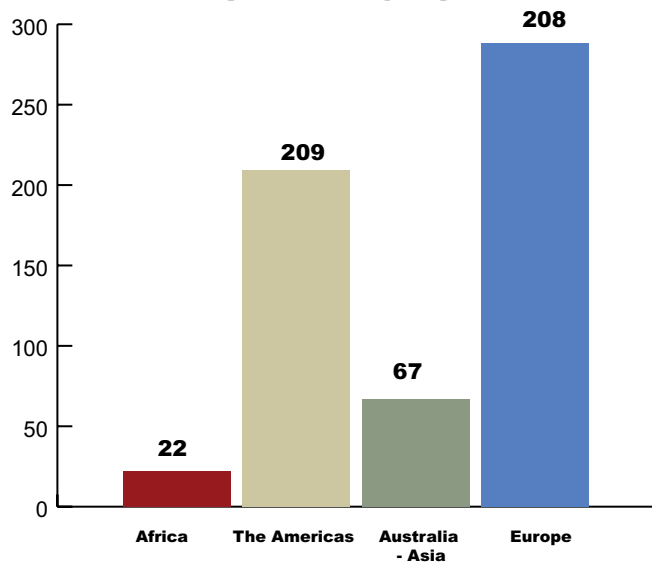
The Global Fair Banking Initiative was launched with a global awareness campaign that reached thousands of individuals and nearly 600 organizations in 79 countries.

One result is the creation of an international coalition, the Global Community Reinvestment Coalition, which includes an especially broad array of stakeholders. The coalition is composed of concerned citizens, civil society organizations, officials and academics working together on fair banking issues via linked web sites, listserves, planning groups and national and regional conferences.

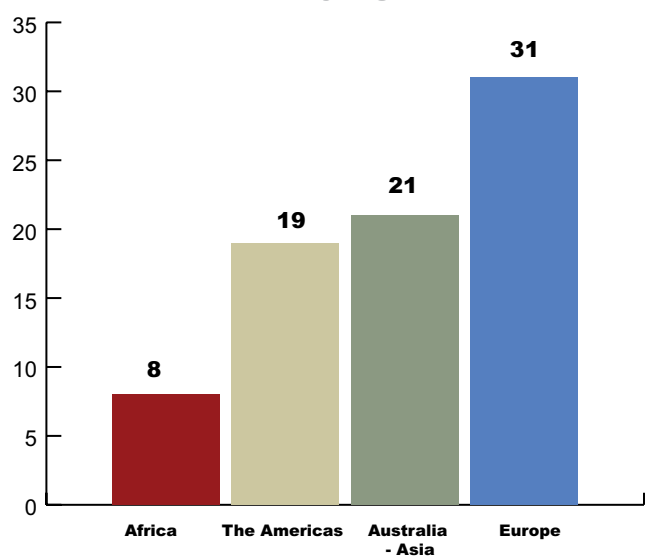
Our current focus is on expanding the global network and promoting intensive cross-border collaborations, especially in Africa, Asia and Latin America.

During the two-year initiative, NCRC established important relationships and consistently increased its involvement with major multilateral institutions such as the World Bank and United Nations. NCRC was awarded Special Consultative Status with the United Nations' Economic and Social Council in May 2005.

GFBI Outreach: Organizations by Region



GFBI Outreach: Countries by Region



Coalition Building

The NCRC Global Fair Banking Initiative has met with passionate response in every part of the world.

The private financial sector is the life-blood of every economy, and the burdens of financial exclusion – or worse, predatory financial practices against vulnerable populations – weigh down economies on every continent. By sharing information and best practices, NCRC has already been a catalyst for the formation of in-country and international coalitions to promote access to fair and equal basic banking services and products.

The European Coalition for Responsible Credit (ECRC) has joined NCRC to collectively work towards global economic justice. The ECRC a regional organization focused on fair finance and credit practices within and between the member countries of the European Union, as well as the current and future directives and laws under consideration by the European Parliament. The ECRC forms a unified European voice for responsible credit and consumer protection, and advocates for fair protection and inclusive access under EU law.

The newly founded **Global Community Reinvestment Coalition (GCRC)** is an international network of economic and social justice organizations and practitioners dedicated to creating fair access to credit, capital and financial services in their respective countries, and to end exclusionary and extortionist practices by financial firms around the globe. The GCRC will serve to unify regional coalitions worldwide.



Conferences

2004

Brazil

2005

USA

Switzerland

Germany

UK

2006

Ireland

Netherlands

Greece

Germany

Malta

USA

Italy

France

Finland

Belgium

NCRC's Global Fair Banking Initiative was the catalyst for 15 international meetings on three continents with more than 1,500 advocates convening from around the world. Participants from 79 countries included a broad range of advocacy groups from small grassroots lobbyists, non-governmental organizations and academics to those with social, economic, human rights and civil justice backgrounds.

Importantly, the initiative also achieved significant cross-sector collaboration and dialogue, with institutions such as the World Bank and the UN joining in support. Additionally, multinational financial institutions also participated, with senior officials from HSBC, Citigroup, Deutsche Bank and others making significant contributions.

The global dialogue on fair lending practices is now well underway and will continue to expand as financial institutions globalize their lending businesses.



Conferences

Rio de Janeiro, October 2004.

NCRC joined the Woodstock Institute in hosting a discussion on *Serving the Underserved: Opportunities and Challenges for Private Sector Financial Institutions*. Representatives from South Africa, India, Mexico, Brazil, the U.S. and the U.K. came together to consider the impact of Brazil's relatively new reinvestment laws on microfinance funding for low-income Brazilians.

Washington, DC, March 2005.

NCRC's *Bringing Economic Justice Home* conference drew more than 600 to the U.S. Capital. Organizations ranging from development banks to foreign governments sent representatives to join the discussion of globalization of the financial sector and the need to democratize access to credit, capital and basic banking services.

Lake Geneva, October 2005.

Observatoire de la Finance hosted *Finance & Society: Adversaries or Partners*. Swiss banking, responsible lending and business ethics were the primary topics for the conference workshops and panel discussions. Participants also explored the role of credit as it pertains to households and start-up businesses.

Berlin, October 2005.

The Federation of German Consumer Organizations hosted the *Responsible Lending* conference in Berlin. More than 100 advocates joined representatives of international banks to consider issues raised by the European Union Consumer Directive.



Conferences

London, November 2005.

NCRC joined the Institut Für Finanzdienstleistugen (*iff*) and Debt On Our Doorstep in hosting a conference to discuss Financial Inclusion for All: Responsible Lending in the U.K. and Europe. More than 200 traveled to London to share information about best practices for influencing law and policy makers and effective means of combating practices of financial exclusion and predatory lending.

Dublin, March 2006.

The Irish Budget and Counseling Services and European Debt Net held a responsible credit conference for Irish stakeholders in Dublin. Consequences of the EU Consumer Credit Directive were discussed in the framework of fair finance issues including mortgage and personal debt, home ownership, access to credit, national income levels, household debt/income and default rates.

Amsterdam, January 2006.

Nederlandse Vereniging voor, an organization of communal banks, hosted the Dutch Responsible Credit conference. Participants examined issues related to small business finance, over-indebtedness and help for families – as well as innovative financing structures and securitization. The EU Consumer Credit Directive was also a hot topic.

Athens, February 2006.

The Greek Consumers Association for Quality of Life and the Greek Consumer Law Association co-hosted Responsible Lending: Protection Against Consumer Indebtedness. Political parties, the Bank of Greece and the Secretary General of Consumer Protection discussed the Greek financial climate, responsible credit and banking, and consumer and commercial law.

Berlin, February 2006.

The second German national conference, hosted by the Institut Für Finanzdienstleistugen (*iff*), drew more than 100, including such lenders as Deutsche Bank, Volkswagen Bank and Deutsche Bundes Bank. The European Union Consumer Directive was a key discussion point. In addition, attendees discussed the current environment for small business finance and microlending, consumer credit law, financial education, predatory lending, debt advice and transparency.

La Valetta, March 2006.

The Malta Consumer Affairs Council and the International Association of Consumer Law hosted



discussions on consumer credit, loans, and interest repayment. A proposal for the Malta Financial Services Authority to regulate banking and credit institutions was a primary topic.

Conferences

Washington, DC, March 2006.

The Capital of the U.S. was the site of NCRC's conference, Economic Injustice: The Ongoing Hurricane. More than 500 representatives from around the world discussed global access to credit, capital and basic banking services. The conferees experienced the U.S. model of grassroots lobbying as they visited and were hosted by numerous members of the U.S. Congress.

Trento, April 2006.

The Credito Responsabile conference was hosted by the Universitat Studi di Trento and the Institut Für Finanzdienstleistungen (*iff*). The conference



highlighted such issues as over-indebtedness, an inclusive European consumer protection model, transparency in lending, financial education, usury ceilings and the quality of Italian credit markets.

Paris, April 2006.

The French consumer advocacy group MicFin joined *iff* in hosting the Credit Responsible conference in Paris. Consumer and fair lending advocates joined academicians to compare the French and U.S. banking systems and discuss predatory lending in France. Attendees also considered the potential impact of a broader



European Consumer Credit Directive on those European nations that currently have strong consumer protections.

Helsinki, April 2006.

The Finnish Consumer Agency and Consumer Ombudsman hosted the Nordic Contribution to Responsible Credit in Helsinki. Consumer advocacy groups, academics and representatives of NGOs joined bankers to discuss payment difficulties, credit losses, Finnish consumer interests and financial counseling and debt management programs.

Brussels, April 2006.

NCRC and *iff* hosted the first annual international Responsible Credit conference. More than 150 representatives of NGOs, universities, legal associations, research institutions and international financial institutions from 30 countries convened. Participants explored best practices for achieving fair lending systems, equal access to credit and economic justice in a comparative perspective. The conference concluded with the formation of the European Coalition for Responsible Credit and the Global Community Reinvestment Coalition.

2004

Brazil

2005

USA

Switzerland

Germany

UK

2006

Ireland

Netherlands

Greece

Germany

Malta

USA

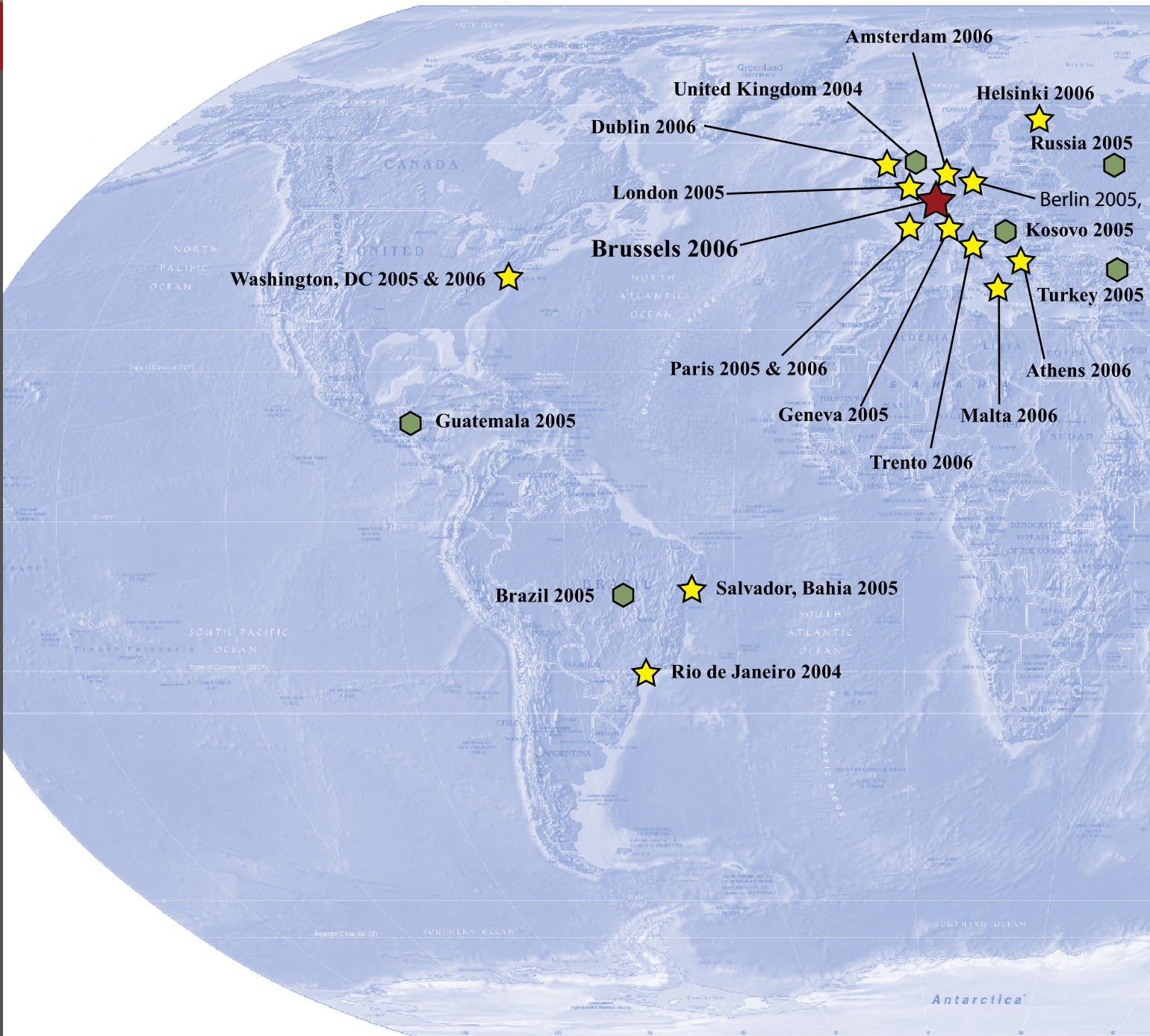
Italy

France

Finland

Belgium

Coalition Efforts Around the World



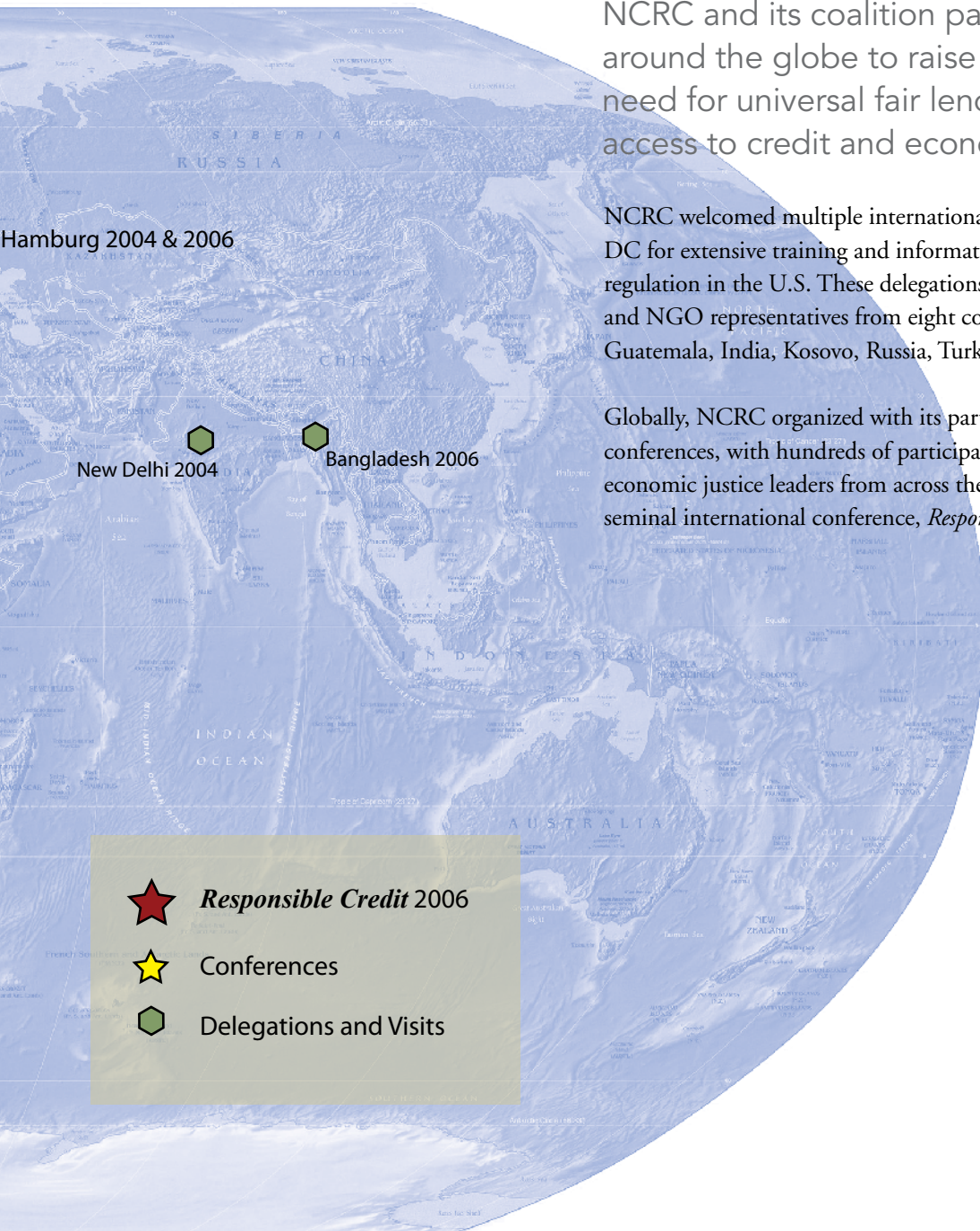
Coalition Efforts Around the World

Towards Global Fair Banking

NCRC and its coalition partners traveled around the globe to raise awareness of the need for universal fair lending practices, equal access to credit and economic justice.

NCRC welcomed multiple international delegations to Washington, DC for extensive training and informational sessions on financial regulation in the U.S. These delegations included public officials and NGO representatives from eight countries – Bangladesh, Brazil, Guatemala, India, Kosovo, Russia, Turkey and the UK.

Globally, NCRC organized with its partners 15 national and regional conferences, with hundreds of participants from 79 countries. Finally, economic justice leaders from across the globe met in Brussels for the seminal international conference, *Responsible Credit 2006*.



Toolkit for Global Fair Banking

Sharing information, coordinating strategy and developing a common frame of reference have been central to building effective transnational networks for the Global Fair Banking Initiative. Toward that end, NCRC has developed a toolkit of resources to encourage cross-border discussion and information sharing. These include:

Briefing papers

In support of this work, Maryellen Lewis, chair of the NCRC’s Global Committee, prepared series of “briefing papers” to synthesize and share information about cross-border issues related to fair access to financial services. These papers aim to stimulate discussion among global partners in order to encourage strategic exchange, and to identify pitfalls in the linked process of combating exclusionary and predatory financial practices around the globe. Revised versions of these papers will incorporate partner insights and revisions, as part of seeking a common language and a working consensus on global principles of fair access to capital, credit and financial services.

Currently, the briefing papers include the following:

1. “Fair Banking: Lessons from the U.S. Experience since 1977”
2. “Financial Education as a Tool for Economic Justice”
3. “What is ‘Fairness’ in Fair Finance?”
4. “Essential Consumer Protections to Make Financial Systems Fair, Accessible and Advantageous for All”
5. “Selection of Briefer Briefs” – short, informational texts

Compendium of Banking Laws

In addition, NCRC Board member Matthew Lee researched and developed an international Compendium of Banking Laws – a country-by-country review of 32 countries’ laws and regulations with respect to banking services. This tool enables leaders, governments, activists and community groups to examine these issues in a comparative legal framework. See the index below for countries described:

Americas	Honduras	Africa	Asia + Australia	Europe
Argentina	Mexico	Kenya	Australia	France
Bahamas	Nicaragua	Nigeria	China	Germany
Bermuda	Panama	South Africa	Hong Kong	Netherlands
Bolivia	El Salvador	Zambia	India	Poland
Brazil			Indonesia	Russia
Canada			Japan	U.K.
Costa Rica			Singapore	Sweden
Guatemala				Switzerland

To view the full compendium, as well as the briefing papers, please visit:

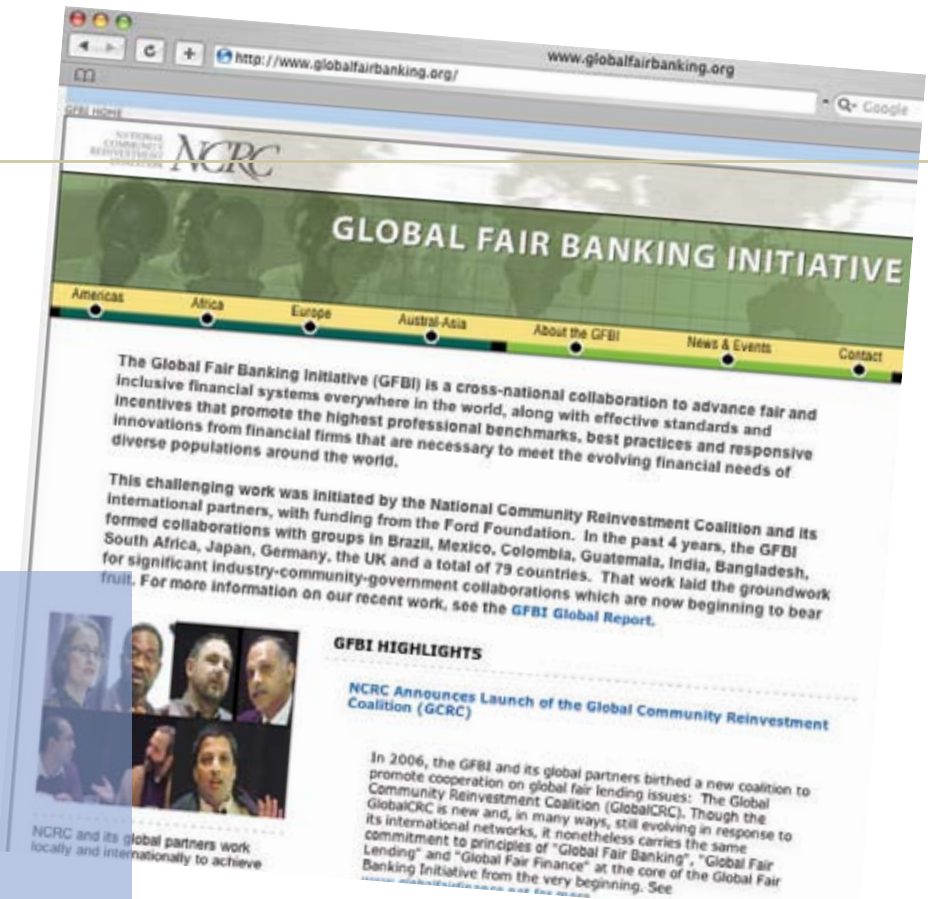
www.globalfairbanking.org

The Website

Through e-mail, linked web sites, teleconferencing and the listserve, the Global Fair Banking Initiative now brings together consumer advocates with fair banking activists, civic leaders and others from many nations to work more effectively toward the goal of global fair banking.

Website features

- Expanding database of global bank regulations and regulatory contacts
- Briefing papers on fair finance issues.
- NGO contact information from around the world
- Conference and workshop announcements



The Listserve

The Global Fair Banking Initiative listserve allows members to share information, exchange ‘best practices’ and to stay abreast of the latest developments in the realm of global fair banking.

Sample Topics

- Community Reinvestment: Feedback on Ethiopian Micro-Finance
- Report from World Bank: “Basic Analytics of Access to Financial Services”
- Pressing for more bank branches in Ghana
- Predatory lending in Ireland and South Africa
- Stored value cards’ potential to promote access for Unbanked

Listserve highlights

- Information on upcoming international mergers, policy developments and training events.
- 127 GFBI members from different cultural backgrounds.
- Interactive discussion among activists for global fair finance.
- Weekly news digests on access to finance and other fair finance issues.



The European Coalition on Responsible Credit (ECRC) has established a multilingual series of linked websites for European organizations working on fair finance issues. For more information on their work, see: www.responsible-lending.net

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Stay informed of key issues and upcoming conferences. Join our listserve:

<http://finance.groups.yahoo.com/group/globalfairbanking/>

To find out more, visit our web site:

www.globalfairbanking.org

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