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Banking Service Request for Proposal (CF 17-0330)

Maria Loya <mloyadlt@gmail.com>

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MEMORANDUM

To: Mayor Eric Garcetti, Deputy Mayor Matt Szabo
Cc: City Treasurer Claire Bartels, Budget and Finance Committee
From: Communications Workers of America (CWA), Committee for Better Banks (LA-CBB), ACCE,
Date: September 14, 2017
Re: Banking Service Request for Proposal (COUNCIL FILE 17-0330)

We would like to request a meeting with you and Mr. Szabo to discuss the banking service RFP and contract. Committee for Better Banks (CBB), Communications Workers of America (CWA) and the Alliance of Californians for Community Empowerment (ACCE) are writing to you to express our concern with the decision to release the Banking Service RFP in September prior to the Responsible Banking Ordinance amendment being finalized.

Our coalition raised the issue of predatory banking practices in the City of Los Angeles before the Wells Fargo sales goals scandal broke. As a result of our advocacy, the Los Angeles City Council has a historic opportunity to amend the Responsible Banking Ordinance to include new standards for responsible banking and incorporate consumer protections in the area of sales goals which was the root cause of the millions of unauthorized bank and credit card accounts opened by Wells Fargo. We urge LA elected and appointed officials to delay the release of the banking service Request for Proposals until the new standards and consumer protections in the Responsible Banking Ordinance amendment are incorporated in the banking service RFP and contracts.

The City of Los Angeles has an opportunity to implement new standards that will address predatory banking practices by amending the Responsible Banking Ordinance and the banking service Request for Proposals and contract. However, LA City officials have consistently been unwilling to hold banks accountable. There are currently two local ordinances that were enacted with the intent to protect the City's funds and its constituents from predatory banking practices. The Linked Banking Program was approved in 1992 and required that the Department of Finance release an annual ranking report of the banks that do business with the City of LA. The Responsible Banking Ordinance was passed unanimously by the City Council in 2012. The intent of the ordinances was to provide transparency and accountability in the way that banks interact with residents and it' City government. The decision to move forward with release of the Request for Proposals prior to the Responsible Banking Ordinance being finalized only works to undermine any effort to incorporate new responsible banking standards in the selections process for the banking service Request for Proposals.

Recognizing that our communities depend on banks for responsible advice and aid in their financial dealings, City officials must stand up to Wall Street and do their part to provide strong protections against predatory banking practices that hurt consumers and our local economy. We look forward to meeting with you to discuss the impact of prematurely releasing the banking service Request for Proposals on bank consumers and frontline bank workers. Thank you again for your leadership on this very important issue.



Memo to Mayor Garcetti- banking service RFP.docx

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