

PRESS RELEASE

October 8, 2015

ESSEX COUNTY FREEHOLDERS Introduce an Ordinance Establishing Essex County's Banking Community Reinvestment Act Review Program



Essex County Board of Chosen Freeholders introduces Banking Ordinance. Pictured (above left) Freeholder President Britnee N. Timberlake and the Essex County Board of Chosen Freeholders (above right - front row l to r): Freeholder Patricia Sebold, Freeholder Cynthia Toro, Freeholder Leby Jones and Freeholder Wayne Richardson; (back row l to r), Freeholder Vice President Brendan Gill, Freeholder President Timberlake, Freeholder Leonard Luciano, Freeholder Rufus Johnson and Freeholder Rolando Bobadilla. **PHOTO BY GLEN FRIESON**

(Newark, NJ) – During a Conference Meeting of the Essex County Board of Chosen Freeholders on Wednesday, October 7, 2015, an Ordinance Establishing Essex County's Banking Community Reinvestment Act Review Program was introduced on first reading and was unanimously affirmed by the board. The introduction of this ordinance was a culmination of months of preparation and a first step forward in holding banks accountable to the community's that they serve. Freeholder President Britnee Timberlake reiterated the importance of the Ordinance and stated, "We (Essex County) have a budget of \$700 million dollars in tax payer's dollars and we will be good stewards over those funds. With the foreclosure rate as high as it is and bank owned properties not being well maintained, this Ordinance can shed light on what banks are doing (or not doing) to help in the crisis."

During the meeting, Phyllis Salowe-Kaye, Executive Director of New Jersey Citizen Action spoke in favor of the Ordinance and urged the freeholders' support. She thanked the president, Board and County Executive for recognizing that lending and investing companies should service the needs of all residents. She further stated, by adopting this Ordinance "the County can make sure that taxpayer dollars are placed in financial institutions that have truly earned the community's business." Freeholder Wayne Richardson commended President Timberlake for pushing this initiative forward and noted the success of the Banking Roundtable that took place on September 15th as "impressive". In that meeting, the freeholders met with 27 banking professionals representing 12 local banking institutions that engaged in "real dialog" serving as a precursor to the proposed Ordinance. Freeholder Leby Jones added her support to president in this initiative and hopes the freeholders and community do the same. She noted, "It is important that homeowners are given an opportunity to save their homes."

In essence, the Ordinance states any bank or financial institution which receives, or is seeking to receive, deposits, cash flows, etc. of any County funds will submit its required annual Community Reinvestment Act (CRA) Data Submissions and CRA rating, for review to the Board. The CRA rating is used to assess a bank's record of helping to meet the credit needs of its entire community. Furthermore, any bank or financial institution selected by the County will be required to do the same. It is an understood fact, the practices and products (i.e. loans, investment products, etc.) of banks and financial institutions have a measurable impact on the County's tax base, the ultimate quality of life and overall economic viability. Sadly, New Jersey has the third highest rate of foreclosure in the United States. This Ordinance seeks to avoid vacant, unmaintained bank owned properties due to foreclosures. It also advocates that banks conduct their due diligence by ensuring communities are educated regarding available products/services to avoid foreclosure.

The intent of the Essex County Banking Community Reinvestment Act Review Program is NOT to create additional banking regulations or requirements for banking institutions; rather, to obtain pertinent information to collect and file. Its goal IS to spur meaningful community reinvestment by the County's financial institutions and underwriters. The County seeks to increase the amount of responsible loans, investments, grants, and financial services for all communities with emphasis on very low to moderate income communities and to older adults (seniors) through heightened public accountability; and banks should further complement and strengthen their communities' development by granting and/or participating in charitable programs and/or scholarships within the county. President Timberlake reminded the audience that as legislatures they have the fiducial responsibility to utilize the county's "Banking Power" in a manner that shows good stewardship over the tax payer's funds.

A public hearing will be held 7:00 p.m., Wednesday, October 28, 2015, at the Hall of Records where the public can speak "for" or "against" this item and an anticipated vote will take place to finally approve this Ordinance. The Freeholder Board is looking forward to adopting this Ordinance with the expectation of ensuring banking best practices in Essex County.

For Additional Information:

**Kathy R. Brown, Chief of Administrative Services
Essex County Board of Chosen Freeholders
973-621-4489**

kbrown@freeholders.essexcountynj.org

Board of Chosen Freeholders, County of Essex

Hall of Records - Room 558, 465 Dr. Martin Luther King, Jr., Blvd., Newark, New Jersey 07102

Tel: (973) 621-4486 Fax: (973) 621-5695

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