

## **8 Pro-Main Street Banking Principles**

### **Foreclosure Prevention**

Each institution must enact measures to protect homeowners who are currently in, or in danger of foreclosure, including foreclosure moratoriums and greater assistance for community home counselors. Further, bankruptcy legislative reform and modifications of investor pool securities are essential. (See Chairman Barney Frank's proposals on loan modifications and positive efforts by JP Morgan Chase, Citigroup, and BofA on some of these provisions.)

### **Philanthropy**

Each institution shall provide a minimum of 1% annually of its bailout funds for philanthropy to low-income communities and none should reduce its philanthropy from its highest level during the last 3 years (BofA is closest to this commitment and Citigroup farthest).

### **Executive Compensation**

Executive compensation of senior management should reflect the performance of the banking institution over a 5 year period and be subject to annual shareholder approval (See some positive steps taken by BofA, Citigroup, and Morgan Stanley on this issue).

### **Tenant Protections**

Tenants living in foreclosed properties should not be subject to automatic eviction.

### **Small Business Support**

Institutions must demonstrate an increased and sustained commitment to small businesses and micro-businesses. (See for example, Wells Fargo, Comerica, and US Bancorp's commendable efforts).

### **Banking the Unbanked and Underbanked**

Institutions should develop new and creative products to serve the unbanked, immigrants, and the poor. Institutions should develop a culture of trust and cultivate sensitive marketing, as well as expand services to the working poor, immigrants, and the underbanked.

### **Transparency of Taxpayer Funds**

Institutions should be fully transparent regarding the use of bailout funds by publishing monthly public reports to the regulators and congress that include annual or semi-annual goals on lending and spending to low and moderate income communities.

### **Outside Board of Directors that Represent the Community**

To ensure an independent and diverse Board of Directors, each institution shall include a community member on its board and strive to achieve the diversity of the Obama Cabinet. (See diversity of Citigroup and Wells Fargo's boards as examples)