FOIA Number: 2016-0532-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Domestic Policy Council

Series/Staff Member: Jose Cerda

Subseries:

OA/ID Number: 5319

FolderID:

Folder Title:
Rasco - ACORN [Association of Community Organizations for Reform Now] Mtg [Meeting] July 25, 1994

Stack:	Row:	Section:	Shelf:	Position:
S	98	2	7	2

222

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR BILL GALSTON
PAUL WEINSTEIN
JOSE CERDA
SYLVIA MATHEWS

FROM: Carol H. Rasco CHR

SUBJ: POTUS meeting with ACORN

DATE: July 22, 1994

Attached is material we have just received from ACORN in preparation for the meeting with them on Monday. I will be presiding over this 30 minute session with a Presidential drop by. I need for each of you DPC staff members listed to attend if possible and Sylvia, an appropriate person from NEC would be helpful as well. Please let Rosalyn Miller know as early Monday as possible if you can attend.

On the agenda they have provided: I need for each of you to provide me with briefing notes that will not only be utilized by me but that I can use for the President's briefing. I apologize that we are just now receiving this material...I need your notes by 10 a.m. Monday, July 25.

Thank you.

ACORN

July 22, 1994

President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C.

Dear President Clinton:

We look forward to the opportunity to meet with you this Monday, July 25 at 4 p.m. at the White House.

We would like to use this meeting to follow up on some of the issues that we discussed with you at our last meeting, in April 1992 in Philadelphia, when you were on the campaign trail.

Most importantly, we would like to share with you our experience over the past couple years with the Community Reinvestment Act (CRA) that applies to banks and propose for your consideration a major Administrative initiative for the 104th Congress around the expansion of CRA to non-bank financial institutions, such as mortgage companies, insurance companies and mutual funds. We see such a CRA expansion as being an excellent way to level the playing field for the industry, create private sector-community partnerships, and produce billions of dollars in increased investment into low and moderate income communities without the need for additional federal tax dollars.

Association of Community Organizations for Reform Now
❑ Organizing & Support Center: 1024 Elysian Fields Avenue, New Orleans, Louisiana 70117 • 504-943-0044 • FAX 504-944-7078
❑ Home Office: 523 West 15th Street, Little Rock, Arkansas 72202 • 501-376-7151
❑ National Office (DC): 739 8th Street S.E., Washington, D.C. 20003 • 202-547-2500 • FAX 202-546-2483
❑ National Office (NY): 845 Flatbush Avenue, Brooklyn, New York 11226 • 718-693-6700 • FAX 718-693-3367

The attached annotated agenda for our meeting provides some more details on this CRA expansion proposal as well as a summary of the other issues we would like to discuss with you and Carol on Monday.

Have a great time at your 30th Reunion. See you Monday.

Sincerely,

Maude Hurd

Maude Hurd
National President

Attachment

cc: Carol Rasco

Agenda Items
ACORN Meeting at White House
July 25, 1994

Paul

1. Extend the Community Reinvestment Act (CRA) to Non-Bank Financial Intermediaries

Over the past 15 years, banks and S&Ls have lost market share to a wide range of other financial intermediaries, including finance companies, mortgage companies, mutual funds, insurance companies, securities firms and others. These "non-banks" compete directly with banks, for deposits and for borrowers. Yet, they are loosely regulated, and are not subject to the federal Community Reinvestment Act (CRA).

When CRA was enacted in 1977, banks and S&Ls extended most of the loans made to individuals and to businesses in the country. By 1992, banks and thrifts had only a 27% share of all credit extensions. The vast majority of deposits and assets in the financial system has seeped out from under the regulatory tent.

Perhaps the most glaring example of regulatory inequality is the case of mortgage banks. Mortgage banks do not take deposits, and raise funds through "warehouse" lines of credit from banks and others. They sell all their loans to the publicly-chartered secondary market agencies, Fannie Mae and Freddie Mac. Formerly minor players in the mortgage marketplace, they now originate a *majority* of single-family home loans to households. Despite a record of lending to low- and moderate-income and minority borrowers that is demonstrably worse than that of banks and thrifts, *mortgage banks are not subject to any community reinvestment requirements.*

If CRA is to remain viable and effective, it is imperative that its scope be extended to reach non-bank intermediaries. ACORN has begun to explore this area in a number of ways:

*we are the principal force in Congress behind legislation that would require property and casualty insurance companies to disclose information regarding auto and homeowners insurance comparable to that disclosed by banks under the Home Mortgage Disclosure Act (HMDA);

*we have worked closely with Rep. Maxine Waters [D-CA] on H.R. 1700, which proposes ways to expand CRA to cover mortgage banks and Private Mortgage Insurance (PMI) companies; and

*we have negotiated two historic agreements with Allstate and Travelers insurance companies: the first a $10 million commitment to buy below-market Mortgage Backed Securities issued by Fannie Mae for loans originated under an ACORN-NationsBank program, the second a partnership to reduce homeowners insurance rates in inner-city areas through a strategy of community policing and risk reduction dubbed the "Neighborhood and Home Safety Program."

Undersecretary of the Treasury Frank Newman and other Administration officials have commented on the need to extend CRA to non-banks. But in order to overcome entrenched interests, we need a Presidential commitment.

We ask that the President's top staff at Treasury, DPC and NEC work with ACORN staff to fashion an omnibus bill to extend CRA to non-banks --including finance companies, mortgage banks, insurance companies, mutual funds and others. This bill should be introduced in Congress no later than January.

Paul

2. Strengthen Proposed Community Reinvestment Act Regulations

We are deeply concerned that the proposed regulations issued by the four federal banking agencies may not achieve the President's stated goal of a stronger, more progressive CRA. We are deeply troubled by press reports suggesting that the final product --in large part at the Fed's insistence-- will be even weaker. We ask that the President himself intervene to bring the Fed on board, and that the Administration commit itself to a "strong CRA regulation, or no regulation at all." Specifically, we seek the following:

*retention of the market share methodology under the lending test;
*changes to ensure that direct lending activities continue to be the primary basis of CRA exams, and that no bank with a less than a satisfactory record in lending can get a "passing" CRA grade by virtue of its investment or service activities;
*elimination of the small bank exemption contained in the regulation;
*elimination of the quasi-"safe harbor" provisions;
* no weakening of the evidentiary standard for racial discrimination as it bears on CRA performance; and
*requiring reporting of data on the race and ethnicity of applicants for small business loans.

NEC

3. Support strong Insurance Redlining legislation:

We were deeply disappointed that the House passed an insurance redlining bill that contained the full industry wish list. H.R. 1188 will not provide us the information we need to detect discrimination, or to enforce the federal Fair Housing Act. We ask that the Administration send a letter to the Senate urging passage of much stronger legislation along the lines proposed by Sen. Russ Feingold [D-WI], S. 1917, including:

*reporting of data on a census tract rather than zip code basis;
*reporting of data on insurer losses;
*reporting of data in at least 150 cities in the country;
*reporting of data on the race and gender of insurance policyholders; and
*no sunset on the legislation.

Paul

4. Support Secretary Cisneros on these important initiatives:

Public Housing Tenant Opportunity Program (TOP)

ACORN has worked very hard to promote and protect Secretary Cisneros' Tenant Opportunity Program (TOP), a technical assistance initiative for resident associations in public housing. This program is the only source of funding that promotes organizing among public housing residents, and is an essential element of HUD's (and ACORN's) efforts to turn around public housing.

During this year's housing bill, ACORN single-handedly saved TOP from being merged with an unrelated social services program. However, in the Senate VA-HUD bill, there is no funding provided for TOP. The White House needs to demonstrate more support for this HUD initiative as the HUD budget moves toward the Conference Committee.

Community Viability

Community Viability is an new program to provide assistance to nonprofit housing and community development organizations. Community Viability has been a signature initiative for Secretary Cisneros in this year's housing bill. On the House side, ACORN was responsible for the amendment by Nydia Velazquez (D-NY) to restore Community

Viability to the legislation at mark-up. (The Subcommittee Print had omitted Community Viability, previous to the Velazquez amendment).

On the Senate side, however, there are serious problems with the legislative language for Community Viability, representing a sharp departure from HUD's original program. Rather than directing this money to vital local grassroots organizations, the Senate intends to provide assistance to national intermediary organizations. The White House should demonstrate support for HUD and the House version during Conference negotiations over the housing bill.

HUD Fair Housing Initiatives

Secretary Cisneros and Assistant Secretary Achtenberg have pledged to issue regulations under the Fair Housing Act this year that would for the first time clarify what constitutes illegal discrimination with respect to mortgage lending and property insurance. We are confident that they will propose strong and meaningful regulations, but are worried about the industry's already-launched campaign to eviscerate them. We ask that the President visibly and publicly show his support for HUD's effort in these areas, perhaps by appearing at one the public hearings to be held around the country during the rulemaking process.

Galston

5. Use the reauthorization of the Elementary and Secondary Education Act to provide funding for new parent-initiated public schools in low income neighborhoods.

Both the Senate and the House versions of the legislation that reauthorizes the Chapter 1 program contain provisions that allow the Secretary of Education to fund "charter schoolsl". We would like this provision used to fund new public schools that are based in low and moderate income neighborhoods, and that are initiated and organized by parent and community organizations -- such as the new ACORN-initiated schools that have been set up (or are being set up) in New York City, Chicago, Boston, and St. Paul.

Jose

6. Write regulations for the Crime bill that will promote funding of community-based anti-crime programs.

The President has worked hard to get funding for his Cops on the Beat program. He and Congress believe that police hiring funds should go to cities that have strong police-community partnerships, or community policing. Justice Department research shows that community policing is most effective when communities are organized, and when the partnerships and programs are community-initiated. ACORN members agree. At the local level our neighborhood groups spend more time working with police departments on crime than any other single issue.

The crime bill will allow 15% of the Cops on the Beat funds to be used for programs other than police hiring, including funding community organizations for their crime prevention work. It is essential that the regulations include such a funding program as a set-aside, and that criteria be established to limit funding to organizations that are truly community-based. ACORN is prepared to work closely with the Administration in developing this important program.

NEC

7. Support an increase in, and indexing of, the minimum wage.

The minimum wage has not kept pace with inflation, and has not been increased in several years. We urge in increase in the minimum wage on an incremental basis over the next several years. But even more important, in keeping with the recommendation with Secretary Reich, we propose that the minimum wage be indexed to the consumer price index, so that the minimum wage retains its purchasing power over time.

Dear ACORN:

....

I also want to assure you that one of the abiding principles in the Administration's community policing initiative is that partnerships between communities and their local police departments lead to more effective crime fighting. We want very much to increase the number of police officers working with community members to build trust and stop crime -- as well as to encourage innovative programs that permit neighborhood residents to assist police in community crime prevention. I hope that as we work to pass and implement the crime bill, ACORN and its members will help us accomplish this goal.

......

Jose -
I'm counting on you.
Don't give them what they want

THE WHITE HOUSE

WASHINGTON

August 2, 1994

MEMORANDUM FOR BILL GALSTON
BRUCE REED
SYLVIA MATHEWS
PAUL WEINSTEIN
JOSE CERDA

FROM: Rosalyn Miller for Carol H. Rasco

SUBJECT: Follow up to ACORN Meeting

In preparation for the President and Carol Rasco's follow up to the recent ACORN meeting, you are asked to prepare a short paragraph on the area labeled with your name. This request is in addition to your previous responses which were included in the briefing for this meeting.

Your response by COB Thursday, August 4 is appreciated.

Thanks.

Agenda Items
ACORN Meeting at White House
July 25, 1994

1. Extend the Community Reinvestment Act (CRA) to Non-Bank Financial Intermediaries

Over the past 15 years, banks and S&Ls have lost market share to a wide range of other financial intermediaries, including finance companies, mortgage companies, mutual funds, insurance companies, securities firms and others. These "non-banks" compete directly with banks, for deposits and for borrowers. Yet, they are loosely regulated, and are not subject to the federal Community Reinvestment Act (CRA).

When CRA was enacted in 1977, banks and S&Ls extended most of the loans made to individuals and to businesses in the country. By 1992, banks and thrifts had only a 27% share of all credit extensions. The vast majority of deposits and assets in the financial system has seeped out from under the regulatory tent.

Perhaps the most glaring example of regulatory inequality is the case of mortgage banks. Mortgage banks do not take deposits, and raise funds through "warehouse" lines of credit from banks and others. They sell all their loans to the publicly-chartered secondary market agencies, Fannie Mae and Freddie Mac. Formerly minor players in the mortgage marketplace, they now originate a *majority* of single-family home loans to households. Despite a record of lending to low- and moderate-income and minority borrowers that is demonstrably worse than that of banks and thrifts, *mortgage banks are not subject to any community reinvestment requirements.*

If CRA is to remain viable and effective, it is imperative that its scope be extended to reach non-bank intermediaries. ACORN has begun to explore this area in a number of ways:

*we are the principal force in Congress behind legislation that would require property and casualty insurance companies to disclose information regarding auto and homeowners insurance comparable to that disclosed by banks under the Home Mortgage Disclosure Act (HMDA);

*we have worked closely with Rep. Maxine Waters [D-CA] on H.R. 1700, which proposes ways to expand CRA to cover mortgage banks and Private Mortgage Insurance (PMI) companies; and

*we have negotiated two historic agreements with Allstate and Travelers insurance companies: the first a $10 million commitment to buy below-market Mortgage Backed Securities issued by Fannie Mae for loans originated under an ACORN-NationsBank program, the second a partnership to reduce homeowners insurance rates in inner-city areas through a strategy of community policing and risk reduction dubbed the "Neighborhood and Home Safety Program."

Undersecretary of the Treasury Frank Newman and other Administration officials have commented on the need to extend CRA to non-banks. But in order to overcome entrenched interests, we need a Presidential commitment.

We ask that the President's top staff at Treasury, DPC and NEC work with ACORN staff to fashion an omnibus bill to extend CRA to non-banks --including finance companies, mortgage banks, insurance companies, mutual funds and others. This bill should be introduced in Congress no later than January.

2. Strengthen Proposed Community Reinvestment Act Regulations

We are deeply concerned that the proposed regulations issued by the four federal banking agencies may not achieve the President's stated goal of a stronger, more progressive CRA. We are deeply troubled by press reports suggesting that the final product --in large part at the Fed's insistence-- will be even weaker. We ask that the President himself intervene to bring the Fed on board, and that the Administration commit itself to a "strong CRA regulation, or no regulation at all." Specifically, we seek the following:

*retention of the market share methodology under the lending test;

*changes to ensure that direct lending activities continue to be the primary basis of CRA exams, and that no bank with a less than a satisfactory record in lending can get a "passing" CRA grade by virtue of its investment or service activities;

*elimination of the small bank exemption contained in the regulation;

*elimination of the quasi-"safe harbor" provisions;

* no weakening of the evidentiary standard for racial discrimination as it bears on CRA performance; and

*requiring reporting of data on the race and ethnicity of applicants for small business loans.

3. Support strong Insurance Redlining legislation:

We were deeply disappointed that the House passed an insurance redlining bill that contained the full industry wish list. H.R. 1188 will not provide us the information we need to detect discrimination, or to enforce the federal Fair Housing Act. We ask that the Administration send a letter to the Senate urging passage of much stronger legislation along the lines proposed by Sen. Russ Feingold [D-WI], S. 1917, including:

*reporting of data on a census tract rather than zip code basis;

*reporting of data on insurer losses;

*reporting of data in at least 150 cities in the country;

*reporting of data on the race and gender of insurance policyholders; and

*no sunset on the legislation.

Paul

4. Support Secretary Cisneros on these important initiatives:

Public Housing Tenant Opportunity Program (TOP)

ACORN has worked very hard to promote and protect Secretary Cisneros' Tenant Opportunity Program (TOP), a technical assistance initiative for resident associations in public housing. This program is the only source of funding that promotes organizing among public housing residents, and is an essential element of HUD's (and ACORN's) efforts to turn around public housing.

During this year's housing bill, ACORN single-handedly saved TOP from being merged with an unrelated social services program. However, in the Senate VA-HUD bill, there is no funding provided for TOP. The White House needs to demonstrate more support for this HUD initiative as the HUD budget moves toward the Conference Committee.

Community Viability

Community Viability is an new program to provide assistance to nonprofit housing and community development organizations. Community Viability has been a signature initiative for Secretary Cisneros in this year's housing bill. On the House side, ACORN was responsible for the amendment by Nydia Velazquez (D-NY) to restore Community

Viability to the legislation at mark-up. (The Subcommittee Print had omitted Community Viability, previous to the Velazquez amendment).

On the Senate side, however, there are serious problems with the legislative language for Community Viability, representing a sharp departure from HUD's original program. Rather than directing this money to vital local grassroots organizations, the Senate intends to provide assistance to national intermediary organizations. The White House should demonstrate support for HUD and the House version during Conference negotiations over the housing bill.

HUD Fair Housing Initiatives

Secretary Cisneros and Assistant Secretary Achtenberg have pledged to issue regulations under the Fair Housing Act this year that would for the first time clarify what constitutes illegal discrimination with respect to mortgage lending and property insurance. We are confident that they will propose strong and meaningful regulations, but are worried about the industry's already-launched campaign to eviscerate them. We ask that the President visibly and publicly show his support for HUD's effort in these areas, perhaps by appearing at one the public hearings to be held around the country during the rulemaking process.

Bill

5. Use the reauthorization of the Elementary and Secondary Education Act to provide funding for new parent-initiated public schools in low income neighborhoods.

Both the Senate and the House versions of the legislation that reauthorizes the Chapter 1 program contain provisions that allow the Secretary of Education to fund "charter schoolsl". We would like this provision used to fund new public schools that are based in low and moderate income neighborhoods, and that are initiated and organized by parent and community organizations -- such as the new ACORN-initiated schools that have been set up (or are being set up) in New York City, Chicago, Boston, and St. Paul.

Bruce/Jose

6. Write regulations for the Crime bill that will promote funding of community-based anti-crime programs.

The President has worked hard to get funding for his Cops on the Beat program. He and Congress believe that police hiring funds should go to cities that have strong police-community partnerships, or community policing. Justice Department research shows that community policing is most effective when communities are organized, and when the partnerships and programs are community-initiated. ACORN members agree. At the local level our neighborhood groups spend more time working with police departments on crime than any other single issue.

The crime bill will allow 15% of the Cops on the Beat funds to be used for programs other than police hiring, including funding community organizations for their crime prevention work. It is essential that the regulations include such a funding program as a set-aside, and that criteria be established to limit funding to organizations that are truly community-based. ACORN is prepared to work closely with the Administration in developing this important program.

Sylvia

7. Support an increase in, and indexing of, the minimum wage.

The minimum wage has not kept pace with inflation, and has not been increased in several years. We urge in increase in the minimum wage on an incremental basis over the next several years. But even more important, in keeping with the recommendation with Secretary Reich, we propose that the minimum wage be indexed to the consumer price index, so that the minimum wage retains its purchasing power over time.

THE WHITE HOUSE

WASHINGTON

August 2, 1994

MEMORANDUM FOR BILL GALSTON
BRUCE REED
SYLVIA MATHEWS
PAUL WEINSTEIN
JOSE CERDA

FROM: Rosalyn Miller for Carol H. Rasco MAM

SUBJECT: Follow up to ACORN Meeting

In preparation for the President and Carol Rasco's follow up to the recent ACORN meeting, you are asked to prepare a short paragraph on the area labeled with your name. This request is in addition to your previous responses which were included in the briefing for this meeting.

Your response by COB Thursday, August 4 is appreciated.

Thanks.

Agenda Items
ACORN Meeting at White House
July 25, 1994

1. Extend the Community Reinvestment Act (CRA) to Non-Bank Financial Intermediaries

Over the past 15 years, banks and S&Ls have lost market share to a wide range of other financial intermediaries, including finance companies, mortgage companies, mutual funds, insurance companies, securities firms and others. These "non-banks" compete directly with banks, for deposits and for borrowers. Yet, they are loosely regulated, and are not subject to the federal Community Reinvestment Act (CRA).

When CRA was enacted in 1977, banks and S&Ls extended most of the loans made to individuals and to businesses in the country. By 1992, banks and thrifts had only a 27% share of all credit extensions. The vast majority of deposits and assets in the financial system has seeped out from under the regulatory tent.

Perhaps the most glaring example of regulatory inequality is the case of mortgage banks. Mortgage banks do not take deposits, and raise funds through "warehouse" lines of credit from banks and others. They sell all their loans to the publicly-chartered secondary market agencies, Fannie Mae and Freddie Mac. Formerly minor players in the mortgage marketplace, they now originate a *majority* of single-family home loans to households. Despite a record of lending to low- and moderate-income and minority borrowers that is demonstrably worse than that of banks and thrifts, *mortgage banks are not subject to any community reinvestment requirements.*

If CRA is to remain viable and effective, it is imperative that its scope be extended to reach non-bank intermediaries. ACORN has begun to explore this area in a number of ways:

*we are the principal force in Congress behind legislation that would require property and casualty insurance companies to disclose information regarding auto and homeowners insurance comparable to that disclosed by banks under the Home Mortgage Disclosure Act (HMDA);

*we have worked closely with Rep. Maxine Waters [D-CA] on H.R. 1700, which proposes ways to expand CRA to cover mortgage banks and Private Mortgage Insurance (PMI) companies; and

*we have negotiated two historic agreements with Allstate and Travelers insurance companies: the first a $10 million commitment to buy below-market Mortgage Backed Securities issued by Fannie Mae for loans originated under an ACORN-NationsBank program, the second a partnership to reduce homeowners insurance rates in inner-city areas through a strategy of community policing and risk reduction dubbed the "Neighborhood and Home Safety Program."

Undersecretary of the Treasury Frank Newman and other Administration officials have commented on the need to extend CRA to non-banks. But in order to overcome entrenched interests, we need a Presidential commitment.

We ask that the President's top staff at Treasury, DPC and NEC work with ACORN staff to fashion an omnibus bill to extend CRA to non-banks --including finance companies, mortgage banks, insurance companies, mutual funds and others. This bill should be introduced in Congress no later than January.

2. Strengthen Proposed Community Reinvestment Act Regulations

We are deeply concerned that the proposed regulations issued by the four federal banking agencies may not achieve the President's stated goal of a stronger, more progressive CRA. We are deeply troubled by press reports suggesting that the final product --in large part at the Fed's insistence-- will be even weaker. We ask that the President himself intervene to bring the Fed on board, and that the Administration commit itself to a "strong CRA regulation, or no regulation at all." Specifically, we seek the following:

*retention of the market share methodology under the lending test;

*changes to ensure that direct lending activities continue to be the primary basis of CRA exams, and that no bank with a less than a satisfactory record in lending can get a "passing" CRA grade by virtue of its investment or service activities;

*elimination of the small bank exemption contained in the regulation;

*elimination of the quasi-"safe harbor" provisions;

* no weakening of the evidentiary standard for racial discrimination as it bears on CRA performance; and

*requiring reporting of data on the race and ethnicity of applicants for small business loans.

3. Support strong Insurance Redlining legislation:

We were deeply disappointed that the House passed an insurance redlining bill that contained the full industry wish list. H.R. 1188 will not provide us the information we need to detect discrimination, or to enforce the federal Fair Housing Act. We ask that the Administration send a letter to the Senate urging passage of much stronger legislation along the lines proposed by Sen. Russ Feingold [D-WI], S. 1917, including:

*reporting of data on a census tract rather than zip code basis;
*reporting of data on insurer losses;
*reporting of data in at least 150 cities in the country;
*reporting of data on the race and gender of insurance policyholders; and
*no sunset on the legislation.

Paul

4. Support Secretary Cisneros on these important initiatives:

Public Housing Tenant Opportunity Program (TOP)

ACORN has worked very hard to promote and protect Secretary Cisneros' Tenant Opportunity Program (TOP), a technical assistance initiative for resident associations in public housing. This program is the only source of funding that promotes organizing among public housing residents, and is an essential element of HUD's (and ACORN's) efforts to turn around public housing.

During this year's housing bill, ACORN single-handedly saved TOP from being merged with an unrelated social services program. However, in the Senate VA-HUD bill, there is no funding provided for TOP. The White House needs to demonstrate more support for this HUD initiative as the HUD budget moves toward the Conference Committee.

Community Viability

Community Viability is an new program to provide assistance to nonprofit housing and community development organizations. Community Viability has been a signature initiative for Secretary Cisneros in this year's housing bill. On the House side, ACORN was responsible for the amendment by Nydia Velazquez (D-NY) to restore Community

Viability to the legislation at mark-up. (The Subcommittee Print had omitted Community Viability, previous to the Velazquez amendment).

On the Senate side, however, there are serious problems with the legislative language for Community Viability, representing a sharp departure from HUD's original program. Rather than directing this money to vital local grassroots organizations, the Senate intends to provide assistance to national intermediary organizations. The White House should demonstrate support for HUD and the House version during Conference negotiations over the housing bill.

HUD Fair Housing Initiatives

Secretary Cisneros and Assistant Secretary Achtenberg have pledged to issue regulations under the Fair Housing Act this year that would for the first time clarify what constitutes illegal discrimination with respect to mortgage lending and property insurance. We are confident that they will propose strong and meaningful regulations, but are worried about the industry's already-launched campaign to eviscerate them. We ask that the President visibly and publicly show his support for HUD's effort in these areas, perhaps by appearing at one the public hearings to be held around the country during the rulemaking process.

Bill

5. Use the reauthorization of the Elementary and Secondary Education Act to provide funding for new parent-initiated public schools in low income neighborhoods.

Both the Senate and the House versions of the legislation that reauthorizes the Chapter 1 program contain provisions that allow the Secretary of Education to fund "charter schoolsl". We would like this provision used to fund new public schools that are based in low and moderate income neighborhoods, and that are initiated and organized by parent and community organizations -- such as the new ACORN-initiated schools that have been set up (or are being set up) in New York City, Chicago, Boston, and St. Paul.

Bruce/Jose

6. Write regulations for the Crime bill that will promote funding of community-based anti-crime programs.

The President has worked hard to get funding for his Cops on the Beat program. He and Congress believe that police hiring funds should go to cities that have strong police-community partnerships, or community policing. Justice Department research shows that community policing is most effective when communities are organized, and when the partnerships and programs are community-initiated. ACORN members agree. At the local level our neighborhood groups spend more time working with police departments on crime than any other single issue.

The crime bill will allow 15% of the Cops on the Beat funds to be used for programs other than police hiring, including funding community organizations for their crime prevention work. It is essential that the regulations include such a funding program as a set-aside, and that criteria be established to limit funding to organizations that are truly community-based. ACORN is prepared to work closely with the Administration in developing this important program.

Sylvia

7. Support an increase in, and indexing of, the minimum wage.

The minimum wage has not kept pace with inflation, and has not been increased in several years. We urge in increase in the minimum wage on an incremental basis over the next several years. But even more important, in keeping with the recommendation with Secretary Reich, we propose that the minimum wage be indexed to the consumer price index, so that the minimum wage retains its purchasing power over time.

6. Write Regulations for the Crime Bill that will promote funding of community-based crime prevention programs.

Community groups were disappointed last year when the Administration's $150 million Police Hiring Supplement program did not include funds for community-based crime prevention programs -- only for salaries and expenses associated with hiring and rehiring police officers. ACORN's concerns about the current crime bill's program regulations are no doubt based on this experience.

For the record, when the President first proposed that Congress include $200 million for community policing in the mini-stimulus package, the Attorney General transmitted to Congress a proposal that called for $150 million for police hiring and $50 million for programs to support community policing in other ways -- such as through community-based crime prevention. Congressional appropriators, however, rejected the inclusion of non-hiring community policing monies, and ACORN and other community advocates do not want the same to happen with $9 billion community policing program pending in the crime bill.

But the President's 100,000 cops program is much broader than last year's Police Hiring Supplement. For instance, the bill states that its number one purpose is to "substantially increase the number of law enforcement officers interacting directly with members of the community," and it further states that a fundamental purpose of the program is to "encourage the development and implementation of innovative programs to permit members of the community to assist State and local law enforcement agencies in the prevention of crime in the community." Based on this language, we can give ACORN some strong assurances about the role we intend community groups to play in implementing the community policing initiative. Here are the points you can emphasize in the meeting:

1. A commitment to fund community-based anti-crime programs. Whether or not the crime bill's regulations "set aside" funds specifically for community-based anti-crime programs, we fully intend to fund such initiatives through the 15% (or roughly $1.2 billion) of the policing program that can be used for 10 broadly defined non-hiring purposes. The crime bill's regulations will make abundantly clear that grants will be awarded for community groups to work in concert with their local police departments to reduce and prevent crime.

2. A commitment to use the President's policing program to strengthen ties between local police and neighborhood residents. Even for those community groups that do not receive -- or even apply for -- grants, the President's policing plan has the potential to make local police departments more responsive to the needs of residents in hard-hit, high-crime neighborhoods. To apply for a community policing grant, police departments have to submit a community policing plan "that reflects consultation with community groups." Thus, as the nation's police departments begin to draft community policing strategies, community groups will have an opportunity to raise their concerns with local police. We must challenge community groups to use this opportunity to forge new partnerships with their police. (Some community advocates have argued that the language in the crime bill is not sufficiently strong to ensure responsiveness to the community, but we can always try and strengthen the community consultation requirement by regulation.)

3. A commitment to work with community advocates in implementing the entire crime bill. One of the things that makes the current crime bill different from previous anti-crime efforts is that it has much more of a community focus. Whereas previous bills have focused on increasing federal resources (FBI and DEA agents, federal prison construction, etc.) and federalizing state and local crimes, the overwhelming majority of the resources in this 6-year, $30 billion crime bill go directly to communities for crime fighting programs. This bill puts an end to the "trickle down" crime policies of the past and guarantees that crime fighting monies will go to where they are needed most -- at the community level. For example, the $1.1 billion Ounce of Prevention Council will not only fund community-based crime prevention programs, it can be used to coordinate the many crime prevention programs authorized in the crime bill, to provide communities with technical assistance and to waive certain program regulations in an effort to make the crime bill's programs more community friendly. With so many of the crime bill's programs potentially impacting communities, it is crucial that we work with community groups on all aspects of the crime bill and before regulations are promulgated.

Dear ACORN:

....

I also want to assure you that one of the abiding principles in the Administration's community policing initiative is that partnerships between communities and their local police departments lead to more effective crime fighting. We want very much to increase the number of police officers working with community members to build trust and stop crime -- as well as to encourage innovative programs that permit neighborhood residents to assist police in community crime prevention. I hope that as we work to pass and implement the crime bill, ACORN and its members will help us accomplish this goal.

......