

For Immediate Release

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RULING: Federal Court Rejects Trump Admin’s Effort to Evade Accountability for Unlawfully Gutting Anti-Redlining Protections

San Francisco, CA — On Friday, a federal judge [rejected](#) the Trump administration’s attempt to dismiss a [lawsuit](#) challenging its unlawful June 2020 rollback of essential Community Reinvestment Act (CRA) anti-redlining protections.

The lawsuit was brought by the National Community Reinvestment Coalition (NCRC) and the California Reinvestment Coalition (CRC) last June. Democracy Forward and Farella Braun + Martel represent the groups.

In response, the groups issued the following joint statement:

“The harm caused by the Trump administration’s unlawful evisceration of anti-redlining rules is real and urgent. We are pleased the court rejected the Trump administration’s shameful attempt to evade accountability for gutting a crucial anti-redlining law. We will continue to press forward in our case to protect marginalized communities and return the protections of the Community Reinvestment Act from the Trump administration’s continued unlawful grip.”

Background

Last June, the National Community Reinvestment Coalition and the California Reinvestment Coalition [sued](#) Trump’s Office of the Comptroller of the Currency (OCC) for its unlawful gutting of critical anti-redlining measures put in place under the Community Reinvestment Act (CRA).

The CRA was enacted to address redlining and secure access for communities of color and low- and moderate-income communities to financial services that have long enabled affluent, white communities to build wealth. Under the CRA, banks are required to meet the financial needs of the communities in which they do business by reinvesting deposits in those communities instead of investing the communities’ money elsewhere. Trump’s OCC issued a rule in June 2020 that dismantles key CRA protections, decreasing investment in low- and moderate-income communities and communities of color in violation of both the CRA and the Administrative Procedure Act.

As William J. Bynum, the CEO of Hope Credit Union — a Black-owned credit union providing financial services to people in economically distressed parts of Alabama, Arkansas, Louisiana, Mississippi, and Tennessee — explained in a [declaration](#) submitted to the court, the Trump administration’s rollback “threatens our ability to meet the credit and depository needs of our communities” by “deprioritiz[ing] meaningful CRA activities in the distressed communities we serve and encourag[ing] larger, easier activities.”

The OCC's rollback of CRA protections took effect on October 1.

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Democracy Forward is a nonprofit legal organization that scrutinizes Executive Branch activity across policy areas, represents clients in litigation to challenge unlawful actions, and educates the public when the White House or federal agencies break the law.

National Community Reinvestment Coalition and its grassroots member organizations create opportunities for people to build wealth. We work with community leaders, policymakers and financial institutions to champion fairness in banking, housing and business. NCRC was formed in 1990 by national, regional and local organizations to increase the flow of private capital into traditionally underserved communities. NCRC has grown into an association of more than 600 community-based organizations in 42 states that promote access to basic banking services, affordable housing, entrepreneurship, job creation and vibrant communities for America's working families.

The **California Reinvestment Coalition** (CRC) is the largest statewide community reinvestment coalition in the country, with over 300 member organizations across California that provide services to tens of thousands of Californians. CRC members include affordable housing developers, community development financial institutions, housing counseling agencies, small business technical assistance providers, legal services agencies, and community-based organizations.

Farella Braun + Martel is a leading Northern California law firm representing corporate and private clients in sophisticated business transactions and complex commercial, civil and criminal litigation. Clients seek our imaginative legal solutions and the dynamism and intellectual creativity of our lawyers. We are headquartered in San Francisco and maintain offices in the Napa Valley that are focused on the wine industry.

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