

# Transcripts of Redlining audio clips

## **Testimony of Charles McClure**

**Planning and Urban Development Committee Meeting, September 8, 1976**

**Event 3629, City Council Audio Recordings (Record Series 4601-03)**

**Charles McClure:** Mr. Chairman, members of the committee: I'm Charles McClure, the executive vice president of the Washington Savings League, although today I'm representing all work lenders in the Seattle area, even though I can't speak for any one of them individually. I'd like to just say something before I started my prepared presentation that's about the comments Mr. DeSano made; I think he might be misinformed. The public does not provide insurance. We pay...every savings and loan, every bank pays into a fund that goes to the federal government to provide that insurance and we create the reserves, and the public puts not one dime into the...the fact that we have public money in our associations. You know it's...I don't know what country Mr. ...and I hope I've got the name correctly...

**Councilmember Paul Kraabel:** No, it's D-E-F-A-T-O.

**McClure:** ...Mr. Defato would point to that's had a great amount of success, but I'm very proud of what our savings and loan industry and the banks and the mutual savings banks have done in this country. We've made it an agent of homeowners, and he refers to us pouring and vandalizing neighborhoods...there wouldn't be a Queen Anne today if there hadn't been some people back east that were willing to loan money out here rather than keeping it in their own neighborhood, and that's the beauty of this country; is we have, and it's made us strong. People who will save money...they give a promise that it's going to be repaid...when that money is paid into an association or bank, it becomes the bank's, and the bank invests that in the future of this country, and I think we've done a damn good job. We've made it the best place in the world to live. And I get a little exercised when all of a sudden now they're trying to tell us how to run our business when I think we've done an excellent job of it.

Well...disclosure. Since the hearing started on this subject we now have, or it has been reported, a federal act. I think it's been pointed out very nicely by Mr. Wallace what the federal act requires. It's going to require one hell of a lot of information for anybody to use. But I want to ask you: what's that information going to be used for by the city council, by anybody else? Congress knows what they're going to use it for. At least I've been told by Mr. Proxmire's staff, they're going to find out if there is inner city needs, and then they're going to put out federal dollars. I suggest the city doesn't have any dollars to be putting into housing; at least not the amount that the federal government might have. The federal act requires disclosure of all insured institutions, and that includes state chartered institutions as well as federally chartered institutions.

Also, as you will hear from Mr. Lang, the lenders are agreeing to voluntarily disclose the information in Alternate A or a good share of that in [?], and thirdly, we will not voluntarily submit the information in Alternate B. While we are comfortable in volunteering information in Alternate A, we would not be comfortable in a mandate by a city ordinance requiring us to do so, because this would set up a legal precedent that the city had the authority to regulate state chartered and federal institutions. We think that the city has a very limited regulatory authority and we believe that your city attorney will tell you this.

**Testimony of Margaret Ceis**

**Planning and Urban Development Committee Meeting, September 8, 1976**

**Event 3629, City Council Audio Recordings (Record Series 4601-03)**

**Margaret Ceis:** I'm Margaret Ceis, formerly a member of the Seattle Reinvestment Task Force. And I do have to make a comment myself since everybody else seems anxious to make one. I'm not surprised, frankly, of the attitude of the lending representatives here today. That is precisely what we worked with on the Task Force for almost a year. I think you have to keep that attitude in mind when you consider this disclosure ordinance. If we are to accept their basic premise that they are above any kind of regulation then they will divulge only what they wish to divulge. That this is a private industry, that we have no right as consumers to question their policies, only as far as they will permit us to do so. And I think the city is in even deeper trouble than when we started that task force.

We know what we want the disclosure for. The Reinvestment Task Force was organized because this city was in serious trouble with its deteriorating neighborhoods and a lack of credit availability. And I think we must always keep that in mind. We did not have open cooperation from a solid group as we are led to believe exists today... So I find it very confusing that when it suits their purposes the lending institutions are a solid mass in agreement and in other issues they are split. I think this is a reason to have a strong disclosure ordinance where the requirements are the same for all of them in doing business in the city, whose offices are in the city.

Now there are several points I would like to bring out because they are very controversial, but again, I'm not speaking for the Task Force, I'm speaking as an individual. But we did have very strong feelings about this... The secondary mortgage market information is crucial, we believe. It should be included in the disclosure ordinance. In appearances before the Task Force, we had time and time again lending institutions, representatives of regulatory agencies, both federal and national, and a number of experts in the field testify that it was not the appraisers, it was the lending institutions; it was not the lending institutions, it was the secondary mortgage market; it was not the secondary mortgage market, it was the federal regulatory agency, and on and on and on. Now this is a circle that has to be broken somewhere. We don't have the information. And we believe the local level is the place to start.

**Testimony of Edward Lang**

**Planning and Urban Development Committee Meeting, September 17, 1976**

**Event 3940, City Council Audio Recordings (Record Series 4601-03)**

**Edward Lang:** If I may, I'd like to direct your attention to our position paper on pages three and four to what we believe a very major element of declining neighborhoods is and this is the problem of what's the City doing in those neighborhoods to solve some of those problems. As we've indicated, we believe that the credit availability problem on a geographical basis is behind us. We do believe that figures that we're going to disclose, is going to show that there are areas where there is no loan demand, or no loans are being made. And we don't want the finger pointed to us. We want to have comparable data as to available City services so as to show you and others the reason no one wants to live there. And it's not our fault. We think the geographical distribution or reporting by the City has to be on the standard comparable basis as to what we're going to have to report on. If that's difficult, I share that difficulty.

**Testimony of Margaret Ceis**

**Planning and Urban Development Committee Meeting, October 6, 1976**

**Event 3687, City Council Audio Recordings (Record Series 4601-03)**

**Margaret Ceis:** This was a matter for some debate on the task force because we realized that when somebody calls up on the telephone, it's extremely easy for an employee to say, to discourage an application. There's no record kept of telephone calls, obviously. This is quite a bookkeeping effort. However, there's mechanism by which this person can go and complain. He could go to the bank itself but it gets lost in the shuffle. What we had in mind is that if there were a number of such complaints, and brought to the Public Review Board, and all dealt with only one bank, then maybe the Public Review Board could make inquiry, perhaps through the ex-officio member there, to find out what's happening, because this shows a trend. Maybe one or two people could be turned down legitimately on the phone, but if it's to be a pattern, as it was indicated in the testimony that it was by a certain bank in this town, then it indicates there's a practice that needs revision. And I do believe it wouldn't entail a good deal of investigatory process or anything else, it would be a matter of finding out what the facts are, making enquiries to the proper bank. And it may be that an employee at the bank itself is not following policy. That was told to us by one banker who insisted that his bank did not discriminate in that way and that it was apparently one particular branch that was at fault. But these people do not go through a regular process, they will not file a written complaint and follow up on it. Most of the time, these are people who are confused. Sometimes, they are confused about the information they've been given. It's a very human kind of problem.

**Testimony of Sister Josie Rychlin**

**Human Resources and Operations Committee Meeting, April 14, 1977**

**Event 3998, City Council Audio Recordings (Record Series 4601-03)**

**Councilmember Jeanette Williams:** I have one last name on the list, Father Rychlin.

**Sister Josie Rychlin:** I am Sister Josie Rychlin, Church of the Immaculate.

**Williams:** Oh, excuse me.

**Rychlin:** The others have really covered things that I would have also liked to reiterate. But we at the Church of the Immaculate being right in the center of the Central Area really would like to sort of reiterate the issue of no representation from the Central Area there. And we think that's an important point for you to recognize.

**Testimony of Timothy Nakayama**

**Human Resources and Operations Committee Meeting, April 14, 1977**

**Event 3998, City Council Audio Recordings (Record Series 4601-03)**

**Timothy Nakayama:** I am Timothy Nakayama, the priest of St Peter's Episcopal Church in Seattle and the chairman of the Redlining Task Force in the Church Council of Greater Seattle. The letter that has been referred to, which brings us to come before you, as you know, was written to Mayor Wes Uhlman and was directed to the concern about the process by which this matter has been handled and also the particular nominees that he submitted for approval by you. Therefore, as you have pointed out, your particular purpose and task at this time, our letter perhaps was addressed more particularly to our concerns as to the slate of persons, and as you say you cannot particularly change that. But perhaps you can in so far as the suggestion that Councilman Hill has made about what strategies might be taken in this somewhat unusual situation. Which perhaps people are reluctant in your position to take, in really rejecting or even suggesting anything about this; the kind of confirmation procedures that we're talking about. However...it ought to be pointed out I think that two people are on the list of the possible nine that come from the Mount Baker area. This does not then mean that these people are not qualified necessarily but that other areas are denied representation. The question of minority representation, when the perception that minorities are covered by three black representatives, is not a valid way of looking at the composition of the people of the city of Seattle.