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11  
12 A PROPOSED RESOLUTION

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16 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
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20 To declare the sense of the Council that the District of Columbia is committed to promoting fair  
21 and responsible banking and lending practices; and to call on the city to reassess its  
22 existing relationship with Wells Fargo and consider greater investment in local banks to  
23 support community growth.

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25 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
26 resolution may be cited as the "Sense of the Council Urging Reassessment of Relationship with  
27 Wells Fargo Resolution of 2017."

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29 Sec. 2. The Council finds that:

30 (1) The District of Columbia has long sought to protect the city's interests and  
31 the public's trust by managing and spending city funds in a fiscally responsible and prudent  
32 manner.

33 (2) The District of Columbia has passed legislation to strengthen the enforcement  
34 and authority of the Department of Insurance, Securities and Banking; passed legislation to

35 increase lending and other services to underserved borrowers and advanced legislation to  
36 encourage increased community development and investment by deposit-receiving institutions.

37 (3) Wells Fargo, the District of Columbia's bank of record and the trustee of the  
38 District's general obligation direct purchase bonds, has been under increased scrutiny over the  
39 past several years due to allegations of racial discrimination in lending practices, questionable  
40 sales tactics and the bank's participation in financing the construction of the Dakota Access  
41 Pipeline.

42 (4) In 2012, following an extensive investigation, the U.S. Department of Justice  
43 alleged that between the years 2004 and 2009 Wells Fargo discriminated against African-  
44 American and Hispanic borrowers by steering them into subprime mortgages or charging them  
45 higher fees and rates on mortgages than White borrowers because of their race or national origin,  
46 rather than the borrowers' credit worthiness or other objective criteria related to borrower risk.

47 (5) As a result of the aforementioned investigation, Wells Fargo and the U.S.  
48 Department of Justice reached a settlement resulting in more than \$175 million in relief to  
49 homeowners, one of the largest settlements of its kind.

50 (6) Earlier this year, Wells Fargo agreed to pay \$35.5 million to settle a class  
51 action race discrimination lawsuit, where a group of African-American financial advisers alleged  
52 that the company employed policies and practices that denied African-American advisers the  
53 same business opportunities as employees who were not African-American.

54 (7) In 2016, Wells Fargo was fined \$185 million in penalties after it was alleged  
55 that Wells Fargo employees opened millions of unauthorized accounts without customers'  
56 knowledge.

57 (8) Private prisons have contributed to and perpetuated mass incarceration and, in  
58 a 2016 report published by In The Public Interest, it was found that Wells Fargo is one of the  
59 private prison industry's most dedicated lenders having extended to the Corrections Corporation  
60 of America (CCA) a \$132.5 million line of revolving credit, of which CCA borrowed \$65.4  
61 million.

62 (9) The proposed Dakota Access Pipeline (DAPL) would transport over 570,000  
63 barrels per day of fracked crude oil across North Dakota, South Dakota, Iowa and Illinois and  
64 emit the rough equivalent of nearly 30 coal plants or 21.4 million cars each year. Wells Fargo is  
65 one of the 15 financial institutions with direct investment into this project, which threatens the  
66 invaluable water supply for the Standing Rock Sioux Tribe.

67 (11) In light of the investigations; settlements, and politics of Wells Fargo several  
68 cities across the country including, San Francisco, CA; Seattle, WA; Alameda, CA; Davis, CA,  
69 Santa Monica, CA, Minneapolis, MN, and Takoma Park, MD have moved to divest or explore  
70 divesting from Wells Fargo.

71 Sec. 3. It is the sense of the Council that:

72 (1) We reaffirm the District of Columbia's commitment to managing and  
73 spending city funds in a fiscally responsible and morally prudent manner.

74 (2) We declare that as part of that commitment, it is a priority for the District of  
75 Columbia to partner with business entities and financial institutions that are committed to  
76 engaging in fair and responsible business practices.

77 (3) The Chief Financial Officer should expeditiously reassess the District of  
78 Columbia's existing relationship with Wells Fargo and consider full divestment.

79                   (4) The Chief Financial Officer should consider the feasibility of establishing a  
80 public banking system, creating more stringent investment guidelines to ensure the city's  
81 investments are socially responsible, and reinvesting in local banks to support community  
82 growth.

83                   Sec. 4. The Secretary to the Council shall transmit copies of this resolution, upon its  
84 adoption, to the Mayor and the Chief Financial Officer.

85                   Sec. 5. This resolution shall take effect immediately.