



## CHICAGO LENDING EQUITY ORDINANCE

#O2021-2872

Chicago's **Lending Equity Ordinance** will increase transparency and public input in selecting the city's banking partners. This initiative is a response to data and community reports that unequal access to mortgage loans is still a major barrier to household wealth and neighborhood growth.

### It's still harder for Black and Brown borrowers to access fairly-priced home loans

- According to a [2020 investigation](#) by WBEZ and City Bureau, the city's top ten mortgage lenders invested more in one majority-white community in recent years than in all communities of color combined
- [National data](#) shows that the homeownership gap between Black and White families is higher today than it was in the 1960s, and is still a key driver of the racial wealth gap

### Increased transparency will keep banks accountable to Chicago residents

- The LEO establishes a joint annual hearing on lending equity between the City Council Committee on Finance and Committee on Housing and Real Estate to hear the experiences of impacted residents and lending data trends from housing advocates
- The LEO will require banks to submit data as part of the RFP process on their lending practices, loan distribution in neighborhoods of color, branch locations, and local employee demographics. It will also require this data to be published on the city's data portal.

### The Lending Equity Ordinance follows a precedent set in other major cities

- [Los Angeles](#), [Philadelphia](#), [Boston](#), Pittsburgh, Cleveland, and Minneapolis all require municipal depositories to submit additional data around responsible banking and equitable mortgage lending. This data is published online and used by city officials, housing advocates, and community groups to better understand banks' lending activities

Contact: Sarah Brune | [sbrune@nhschicago.org](mailto:sbrune@nhschicago.org) | 402-719-6287

