

THE FAIR ACCESS TO FINANCIAL SERVICES ACT

FIGHTING DISCRIMINATION IN BANKING

Background

A famous movie director,¹ a Texan doctor,² and a Detroit man³ are all recent and public examples of Black consumers suffering racially-based harassment from bank employees. Bank employees mistook the director for a bank robber, refused to open a bank account for the Texan doctor, and questioned the origins of a Detroit man's check. Bank employees ultimately called the police on two of these Black consumers. For Mr. Thomas, the man from Detroit, this was just another setback in the constant, uphill battle against systemic racism. The check he was trying to deposit was a settlement from a discrimination lawsuit with his former employer.

These three individuals are not the only ones who have experienced racial discrimination at a financial institution in recent years. Black and brown Americans often face racial profiling and unequal treatment when trying to access services at financial institutions. However, victims of such discrimination are unable to hold financial institutions accountable because current law permits discrimination by banks and other financial institutions.⁴ **The Fair Access to Financial Services Act would prohibit banks and other financial institutions from discrimination in the services they offer on the basis of race, color, religion, national origin, or sex (including sexual orientation and gender identity).**

The Civil Rights Act of 1964 outlawed discrimination in certain places of public accommodation, such as hotels and restaurants, but does not cover financial institutions, limiting legal recourse against racism and discrimination in the financial services industry.⁵ Discrimination in banking furthers the racial wealth gap and hinders socioeconomic mobility across minority groups by both limiting access to the banking system and making it more expensive to bank.⁶

¹ New York Times: "Black Panther" Director Ryan Coogler Mistaken for Bank Robber in Atlanta.

<https://www.nytimes.com/2022/03/09/arts/ryan-coogler-bank-america.html>

² NBC News: Black doctor sues JPMorgan Chase alleging she was refused service at Texas branch because of race.

<https://www.nbcnews.com/news/us-news/black-doctor-sues-jpmorgan-chase-alleging-was-refused-service-texas-br-rcna14753>

³ Detroit News: Discriminated against once, Detroiters sue when bank fails to cash settlement check

<https://www.detroitnews.com/story/news/local/wayne-county/2020/01/23/detroiters-sues-says-bank-refused-accept-checks-because-hes-black/4551849002/>

⁴ New York Times: 'Banking While Black': How Cashing a Check Can Be a Minefield.

<https://www.nytimes.com/2020/06/18/business/banks-black-customers-racism.html>;

New York Times: This Is What Racism Sounds Like in the Banking Industry.

<https://www.nytimes.com/2019/12/11/business/jpmorgan-banking-racism.html>.

⁵ CNN: A 911 call, a racial slur, a refusal to cash a check. This is what it's like for some Black bank customers.

<https://www.cnn.com/2020/07/02/us/banking-while-black-racism-trnd/index.html>.

⁶ New America: The Racialized Costs of Banking <https://www.newamerica.org/family-centered-social-policy/reports/racialized-costs-banking/overview/#key-findings>

Organizations Supporting this Legislation

Lawyers' Committee on Civil Rights
Under Law
The Leadership Conference on Civil and
Human Rights
The National Urban League
UnidosUS

National Community Reinvestment Coalition
Center for Responsible Lending
National Consumer Law Center (on behalf of
its low-income clients)