



**STATEMENT OF  
DEYANIRA DEL RIO AND SARAH LUDWIG**

**RE: SELECTION OF NEW PRESIDENT OF THE FEDERAL  
RESERVE BANK OF NEW YORK**

March 28, 2018

We are dismayed that the New York Fed appears poised to appoint a new president through a reportedly closed process, without meaningful consideration of public input. Given the vital role of the New York Fed president and all that is at stake with this appointment, New Economy Project calls on the Fed to pursue an open, transparent process for selecting its next president, even if this means going back to square one.

Since its founding in 1995, New Economy Project has worked with a broad array of community groups in NYC to fight discriminatory banking practices that perpetuate inequality, segregation, and poverty. We have pressed banks to serve all communities equitably, and to cease both redlining of, and predatory wealth extraction from, low income and immigrant neighborhoods and communities of color. For more than a decade, our organization coordinated comprehensive fair lending and foreclosure prevention initiatives, including in the years leading up to the subprime lending and foreclosure crisis and the economic meltdown that followed.

During this time, we convened several meetings between community groups and the New York Fed president and his staff to alert the agency to the devastating effects of predatory mortgage lending and waves of foreclosures crashing over NYC communities of color. Notwithstanding our repeated attempts to sound the alarm, the New York Fed president generally dismissed the information we presented as “anecdotal” and contrary to banks’ pecuniary interest. It is not unreasonable to conclude that the foreclosure crisis could have been averted had the New York Fed president taken seriously and acted on the clear evidence that community groups presented.

It is critical that the next New York Fed president be fully accountable to the public and not beholden to Wall Street. He or she should reflect the diversity of the New York Fed’s district, and approach the position understanding the structural implications of monetary policy and banking for communities, workers, and racial wealth inequality.

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Deyanira Del Rio and Sarah Ludwig are co-directors of [New Economy Project](http://www.neweconomynyc.org). Deyanira Del Rio currently serves on the Federal Reserve Bank of New York’s Community Advisory Group. Sarah Ludwig served on the Federal Reserve Board of Governors’ Consumer Advisory Council from 2006 through 2009.