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Redlining Foes Appeal For Depositors To Act

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Organizations, Individuals Are Urged To Withdraw Savings Where Bias Shown

Toledoans Against Redlining, an organization made up primarily of East and North Toledo residents, is asking churches, organizations, and individuals to withdraw their savings deposits from financial institutions they claim discriminate against older neighborhoods in their lending practices.

The organization made the request at a press conference held after 22 of its members had attended the annual business meeting of United Savings and Loan Association to protest alleged redlining by that institution.

Bonnie Cieslukowski, co-chairman, said that the anti-redlining group is asking churches, unions, civic clubs, community organizations, and individuals throughout the city either to pledge all or part of their invested savings to the anti-redlining fight, or to reinvest it in institutions which do not discriminate against older neighborhoods.

"That way, when we next approach a savings and loan on behalf of our neighborhoods, we will speak with the power of the dollar. It seems to be the only language they can understand," Miss Cieslukowski said.

Resolution Wins Approval

At the United Savings meeting, the delegation won approval of a resolution offered by one of its members calling for United to "help young people or anyone else in all areas of Toledo get a loan and save our neighborhoods to the best of our ability and in our judgment so far as financing is concerned."

Florence Michalak, who said she is a United depositor in addition to a TAR member, originally sought to make a motion calling on the institution to "stop redlining in our neighborhoods." This was rejected by Ralph A. Lucke, United board chairman, who commented, "We can't stop something we're not doing."

William Sanzenbacher, one of United's six directors, objected to the introduction and subsequent passage of the resolution, contending that it implied that the institution has not been helping make loans to save neighborhoods in the past.

Says Policy Reaffirmed

Mr. Lucke said later that the resolution, opposed by only two of the members present at the meeting, amounted to a reaffirmation of United's policy.

Despite passage of the resolution, Miss Cieslukowski said the anti-redlining group was dissatisfied with United's response to its demands. "We got no definite answers from them," she said, adding that she considered the resolution "too watered down to change anything."

The anti-redlining group said it decided to seek the withdrawal of funds by churches, organizations, and individuals because of lack of success in meetings not only with United Savings but also earlier sessions with other Toledo savings and loan associations.

TAR said it is forming a Redlining Information Bureau both to "explain the tragedy of redlining" to the organizations and individuals and to seek their financial support. Miss Cieslukowski said that a similar approach

has proved successful in Detroit after anti-redlining had met with little success earlier in approaches to lending institutions.

Neighborhood Part Of Loan Consideration

Mr. Lucke conceded during 35 minutes of sometimes-heated discussion with the TAR delegation that United Savings does take the neighborhood into account in determining loan eligibility. He also said that he would "turn down loans if there were a lot of junky houses in the immediate neighborhood." But he denied that United has outlawed loans in any neighborhood in the 38 years he has been associated with the institution, and said primary consideration is given to the property itself and the borrower.

"All loans are made on the basis of specified criteria based on financials. Taken into consideration are the age of the property, the condition of the property, and the ability of the people to repay."

He said that the terms of a loan sometimes are different, depending either on the property or the borrower. This difference usually is reflected in the length of the loan and the amount of the down payment required.

Based On Simple Premise

Interest rates charged are the same on any loan, regardless of age of the property, according to Charles Trauger, United president.

Mr. Lucke said the institution's lending policies are based on the simple premise that "we can't take the risk of getting a property on our books and not being able to get our money out." He noted that several depositors have told officers that they would remove their savings if the institution let pressure, rather than good business practices, determine how and where it makes loans.

Deposits, Interest Paid Mark Record Highs

During the business session, Mr. Lucke announced that assets reached \$187.8 million at the end of 1975, and that deposits of \$163.4 million marked a record high for the institution.

He said that interest of \$9.4 million was paid to depositors during 1975, another record and up about \$1 million from 1974.