



Greater Boston
Interfaith Organization

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State Treasurer Cahill Stands with Faith Leaders in Fight against Usury

Date: Wednesday, March 24th 2010

Time: 7:30pm – 9:00pm

Location: Old South Church, Copley Square

Clergy and lay leaders of the Greater Boston Interfaith Organization (GBIO) have launched a campaign against the unfettered, usurious practices of the nation's largest banks and will be joined by Timothy Cahill, Treasurer of Massachusetts, on Wednesday, March 24th at 7:30pm at Old South Church in Copley Square in putting pressure on banks to change their ways at GBIO's "Economic Accountability Night."

Since 1980, federal deregulation has opened the floodgates for banks to charge whatever interest rates they choose on credit cards and other forms of consumer credit. While public outrage at the behavior of the financial industry has led to some modest reforms, Congress has yet to pass any legislation to rein in the interest a lending institution can charge.

Treasurer Cahill has collaborated with leaders of GBIO to use his leverage as overseer of the state's deposits and investments to put pressure on the biggest offenders to curb their egregious practices and abide by state usury laws when doing business in Massachusetts. Of the top six national banks that have become known as having the worst consumer practices, the state has the greatest number of dollars held by Bank of America, which also has the contract with the state to process its tax payments.

Massachusetts' usury laws cap interest rates for consumer credit at 18%, meanwhile Bank of America and others charge upwards of 28% on their consumer credit cards. GBIO and Treasurer Cahill are urging Bank of America to abide by Massachusetts usury laws while doing business within the state. On Wednesday, Treasurer Cahill will announce that he has secured a meeting with Bank of America executives and also intends to divest millions of Bank of America funds from that part of the Massachusetts Municipal Depository Trust (MMDT) if Bank of America is unwilling to abide by MA usury law.

After Treasurer Cahill makes his announcement, GBIO leaders will call on the candidates running for his position in November to commit to moving state money out of banks that refuse to keep their interest rates below the state's legal limit if elected Treasurer and to make this issue a prominent part of their campaign platform in the coming months.

America's biggest banks have placed a stranglehold on consumers, leading to crushing debt and financial instability for many working families. While these banks accepted billions in assistance, they have left our

families struggling to simply make ends meet. “In the Hebrew Bible, one word used to refer to lending money with interest is the word neshekh which means ‘to bite.’ In the Bible’s eyes, such practices are akin to one party taking a bite out of the other. Our collective traditions call upon us to refrain from taking a bite out of one another. It is time for us to stand as one community, as we call our financial institutions to account and as we demand a decisive end to their usurious practices which consume the people in our communities,” said Rabbi Eric Gurvis of Temple Shalom in Newton, MA.

Also on Wednesday night, GBIO’s Access to Higher Education campaign will welcome representatives from the Boston Public Schools to announce a collaboration to leverage federal funding to provide comprehensive financial aid counseling programs aimed at increasing access to college for Boston students. According to the American Council on Education, a surprising 26% of low-income students don’t apply for federal aid, though they would likely qualify for Pell Grants. Furthermore, the process of financing and applying for post secondary education can be so daunting that many students, particularly those whose parents have not attended college, do not apply at all. It is estimated that over a course of a career, a college degree yields an average of one million dollars in increased earnings. “In a country where a good education is the way to open doors of opportunity and balance the social playing field, and out of traditions which name education at the core of our values, we are choosing not to be silent as real access to higher education is being threatened,” said Rabbi Stephanie Kolin of Temple Israel of Boston, MA.

Founded in 1996, the Greater Boston Interfaith Organization is a broad-based organization that organizes the communities of Greater Boston across all religious, racial, ethnic, class, and neighborhood lines to hold both public and private power holders accountable for their public responsibilities. GBIO’s organizing played a key role in achieving health care reform and affordability standards for health care in Massachusetts. GBIO is joined in its campaign against usury by its sister organizations across the country who form the Metro Industrial Areas Foundation (MetroIAF), which launched its “10% is Enough” campaign with simultaneous actions in five U.S. cities and London last July (www.10percentisenough.com).