



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

May 27, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Republican Leader  
H-204, The Capitol  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, DC 20510

Dear Speaker Pelosi and Leader McCarthy,

We urge you to prioritize economic stabilization and recovery measures that would invest in local communities. Specifically, we ask that you consider providing a public banking option to state and local governments who are on the front lines of responding to the COVID-19 pandemic.

The global pandemic has exposed rampant inequality and the constant disinvestment in public institutions. One of the clearest examples of this economic and racial inequality is the lack of access to bank accounts. The CARES Act authorized \$1,200 in relief checks to millions of Americans, yet many of those most in need of this urgent relief will wait longer for these funds because they lack access to functioning bank accounts. The CARES Act does not go far enough to address the hemorrhaging of resources in our local communities and lacks the structural change required during this critical time.

Right now, cities and states are forced to rely on money in big banks, allowing those banks to leverage our public funds in order to enrich their investors through risky maneuvers and predatory lending within the financialized speculative economy rather than reinvesting them in our communities. Cities and states should have the option of controlling their public dollars and leveraging resources to remain in their own communities through public banking.

Public banks are controlled by and principally funded by a government body rather than by private investors. Globally, about 20 percent of banks are publicly owned, and we have a history of utilizing them here in the US. The U.S. Post Office ran the Postal Savings System from 1911 to 1967, and this brought affordable banking services within the reach of Americans nationwide.

In North Dakota, their 100-year-old Bank of North Dakota is widely credited with [helping the state's economy weather the 2008 recession](#) far better than other states.

For decades, profit-motivated decisions have driven bank branches to disappear from rural areas and low-income communities, creating banking deserts that are dominated by predatory cash-advance stores. Given that the goal of public banks would be to serve all individuals, these locally controlled banks would not need to weigh their servicing decisions on profitability alone. Instead, by partnering with local lenders, public banks would expand lending capacity to enter bank deserts while pushing back against traditional private financiers.

Public banks have a unique ability not only provide financial stability but to also address the economic inequalities and structural racism prolonged by the lending practices and credit decisions made by Wall Street. Demos [reported](#) that public banks could offer lower debt costs to city and state governments, fund public infrastructure projects, and encourage entrepreneurship by providing loans to small businesses at lower interest rates and with lower [fees](#). In addition, public banks would fund the types of transformative change our communities desperately need—housing for all, improvements for our hospitals and community clinics, healthcare needs, disaster preparedness—and they would help us usher in the cleaner, environmentally responsible future we need by funding local Green New Deal projects.

By allowing cities and states to offer public bank accounts, Congress can help localities address immediate problems. In the short term, public banks would be a seamless and effective way to deliver relief funds to all eligible recipients. In the longer term, public banks would remedy long-standing systemic problems with our banking system that have disproportionately burdened low-income communities, ultimately bringing about transformational change to the American monetary-financial system.

Access to payments and safe deposits shouldn't be an afterthought in the next stimulus package. Congress should consider providing municipal finance stimulus and public banking options to ensure that cities, states, and local financial institutions have enough resources necessary to coordinate a just and equitable economic recovery.

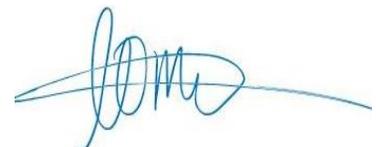
Sincerely,



RASHIDA TLAIB  
Member of Congress



ALEXANDRIA OCASIO-CORTEZ  
Member of Congress



ILHAN OMAR  
Member of Congress

**Additional Signers:**

PRAMILA JAYAPAL  
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AYANNA PRESSLEY  
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JESÚS G. "CHUY" GARCÍA  
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