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Chicago Finally Getting Serious About Where It Deposits City Cash.

The city government of Chicago moves hundreds of millions of dollars in and out of the bank every few months. Taxes, fees, fines and bond sale proceeds come in; paychecks, contractor payments and other spending or investments go out.

Community Advocates Break Down Proposed Changes to Community Reinvestment Act Regs
As of December 31, 2020, Chicago had \$725 million in the bank — multiple banks, actually, as the city typically designates more than a dozen banks every year as municipal depositories.

The City of Chicago requires banks seeking designation as municipal depositories to have an authorized representative sign a pledge every year that the bank will avoid discrimination in lending on the basis of neighborhood, race, national origin, sex, source of income, sexual orientation and other factors. The pledge notes that failure to comply can result in losing designation as a municipal depository. It's been this way since 1974, when Chicago passed its Responsible Banking Ordinance, the first such ordinance of its kind. Many cities across the country have since passed their own responsible banking ordinances — some more stringent, some less so.

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NEXT CITY

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