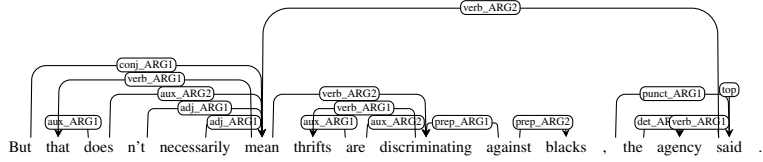


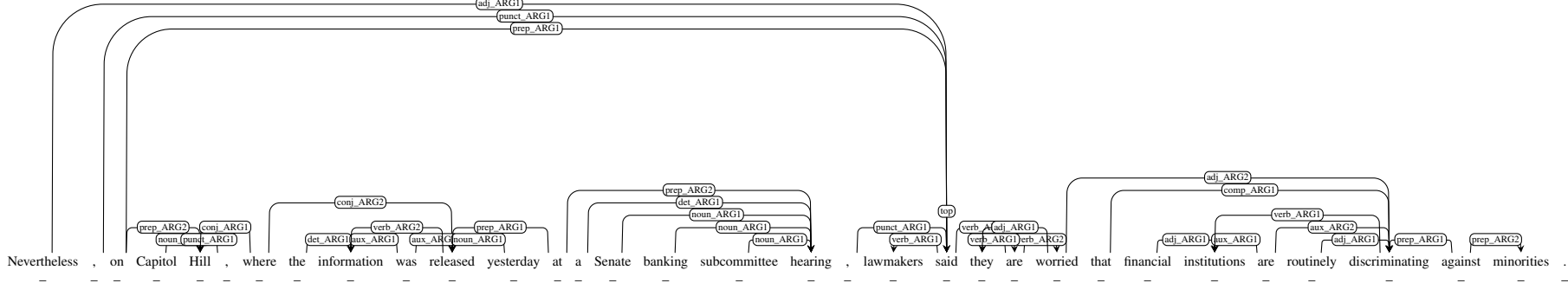
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[21189002]



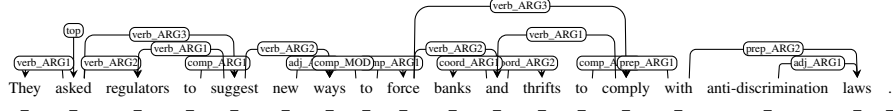
But that does n't necessarily mean thrifts are discriminating against blacks , the agency said .

[21189004]



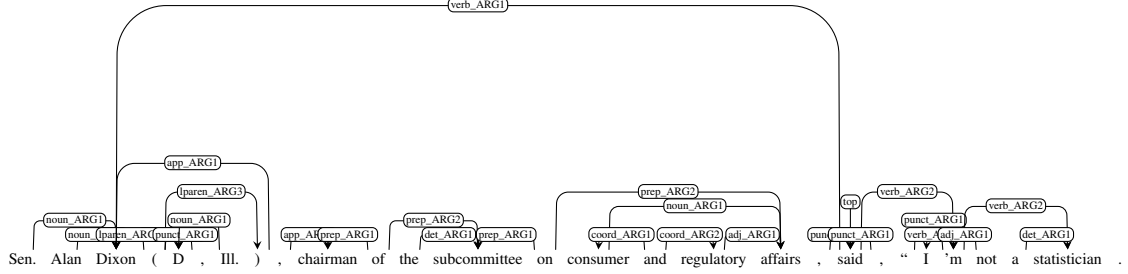
Nevertheless , on Capitol Hill , where the information was released yesterday at a Senate banking subcommittee hearing , lawmakers said they are worried that financial institutions are routinely discriminating against minorities .

[21189005]



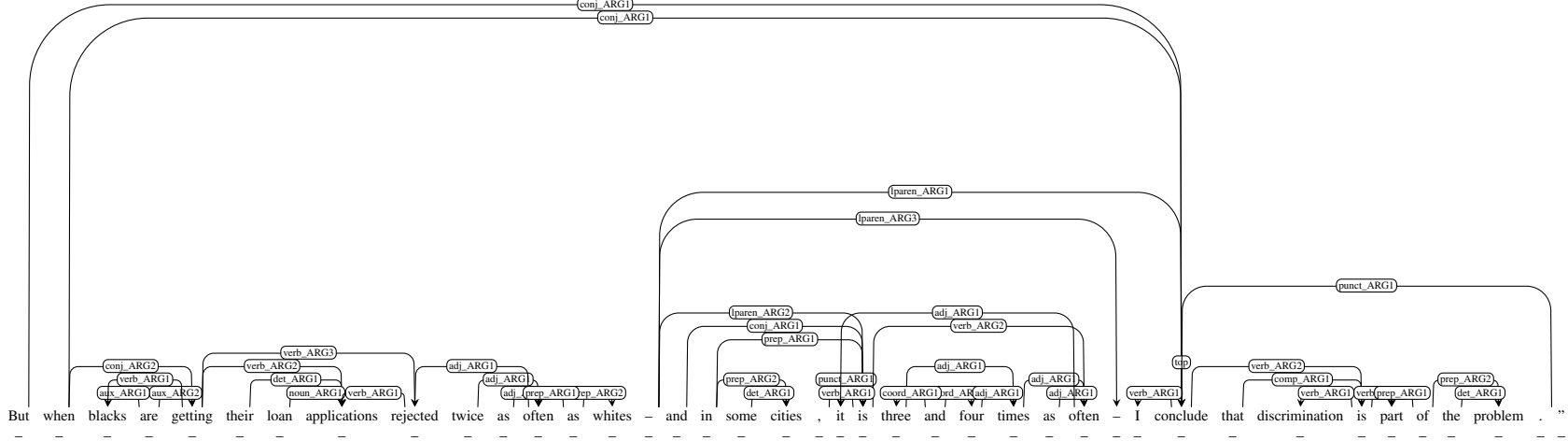
They asked regulators to suggest new ways to force banks and thrifts to comply with anti-discrimination laws .

[21189006]



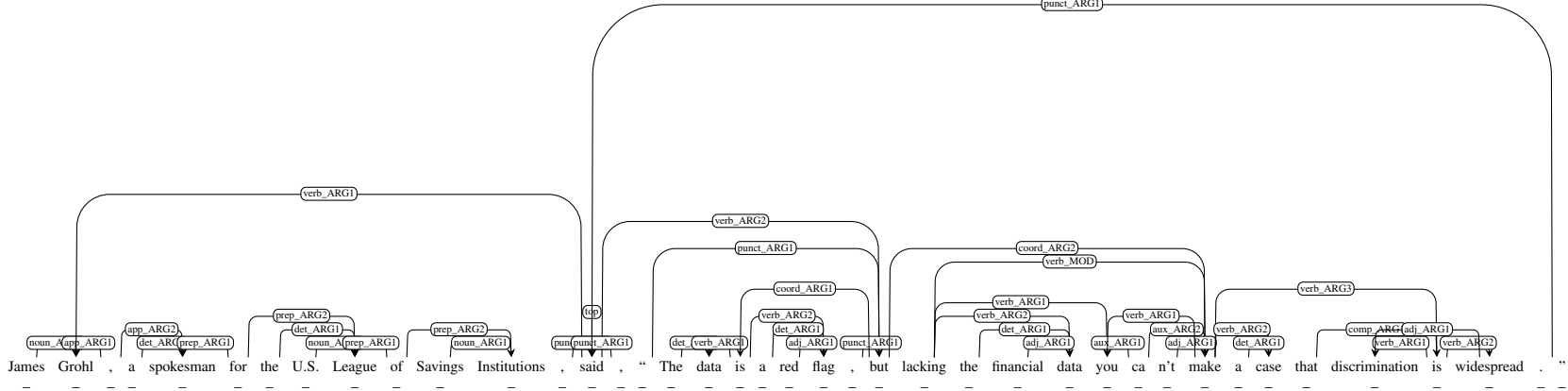
Sen. Alan Dixon ( D , Ill. ) , chairman of the subcommittee on consumer and regulatory affairs , said , " I 'm not a statistician .

[21189007]



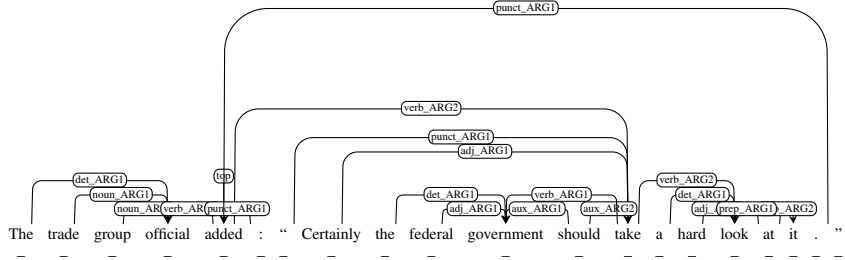
But when blacks are getting their loan applications rejected twice as often as whites -- and in some cities , it is three and four times as often -- I conclude that discrimination is part of the problem .

[21189008]



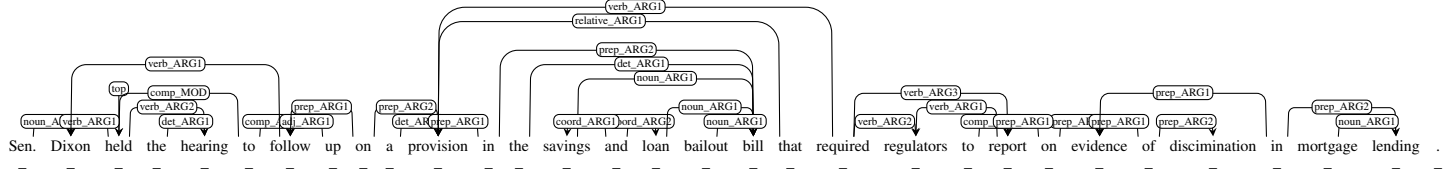
James Grohl , a spokesman for the U.S. League of Savings Institutions , said , " The data is a red flag , but lacking the financial data you ca n't make a case that discrimination is widespread .

[21189009]



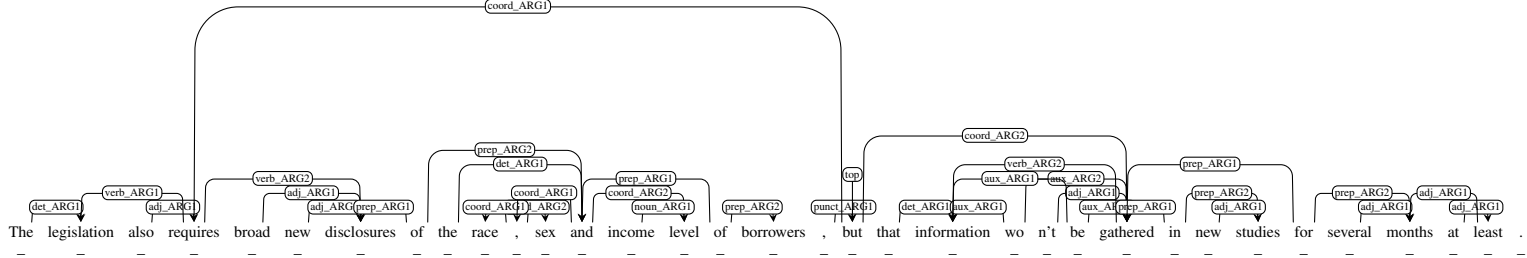
The trade group official added : " Certainly the federal government should take a hard look at it .

[21189010]



Sen. Dixon held the hearing to follow up on a provision in the savings and loan bailout bill that required regulators to report on evidence of discrimination in mortgage lending .

[21189011]



The legislation also requires broad new disclosures of the race , sex and income level of borrowers , but that information wo n't be gathered in new studies for several months at least .

[21189012]

The Federal Reserve said its studies in recent years, which adjust for income differences and other variables, showed that blacks received fewer home mortgages from banks and thrifts than whites.

[21189013]

But John LaWare, a Fed governor, told the subcommittee the evidence is mixed and that the Fed's believes the vast majority of banks are n't discriminating.

[21189014]

For instance, he noted, the Fed studies have shown that blacks receive more home improvement loans than whites.

[21189015]

Several lawmakers were angered that the bank and thrift regulators generally said they have been too busy handling the record number of bank and thrift failures in the past few years to put much energy into investigating possible discrimination.

[21189016]

"We would be the first to admit that we have not devoted the necessary amount of emphasis over the past several years to developing examinations for discrimination," said Jonathan Fiechter, a top official of the Office of Thrift Supervision.

[21189018]

Officials of the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency said they have punished only a few banks for violations of anti-discrimination laws.

[21189019]

The FDIC said it has issued five citations to banks over the past three years for discriminatory practices.

[21189020]

The comptroller's office said it found no indications of illegal discrimination in 3,437 examinations of banks since April 1987.

[21189021]

The comptroller's office also said that of 37,000 complaints it received since January 1987, only 16 alleged racial discrimination in real estate lending.

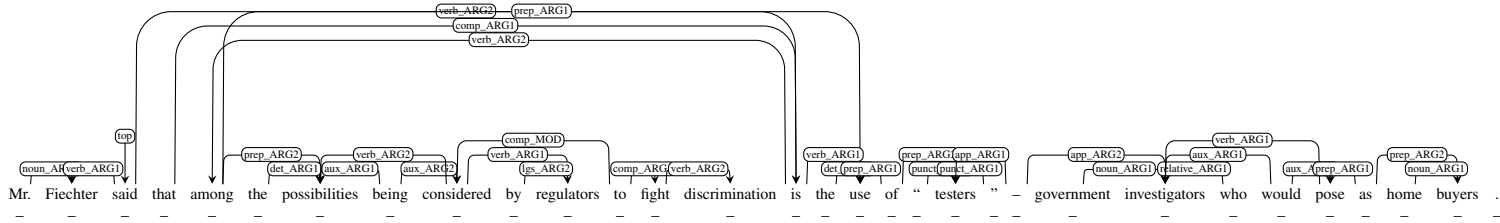
[21189022]

The agency investigated the complaints but no violations were cited.

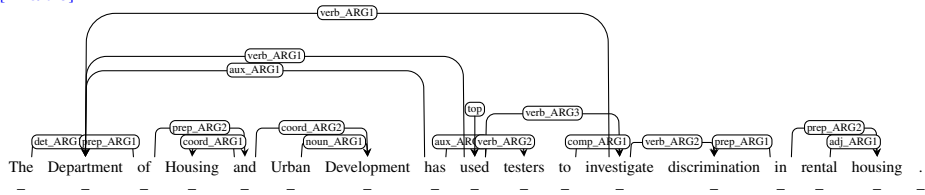
[21189023]

Thrift regulators did n't give any figures on their enforcement actions.

[21189024]



[21189025]



[21189026]

