Faith-based Op Ed

5.5.2010 (533 words)

Values Matter on Wall Street, Main Street and Your Street

In his recent book, *Rediscovering Values on Wall Street, Main Street and Your Street: A Moral Compass for the New Economy,* author Jim Wallis asks the question: Do Christians have the responsibility to turn over the tables of an unjust market? And the answer is, in short, yes. He goes on to say that our financial system, which few understand and even fewer participate in shaping, needs real reform. Not just because it is the economically sound thing to do, but more importantly, it’s the moral thing to do. The markets should work for everyone, not just the privileged few.

It is immoral that the financial institutions that caused this crisis are still involved in shaping the rules. This isn’t front page headlines, but as our partners who are on the ground in Washington tell us, the financial industry continues to work behind the scenes on back room deals to weaken the bill and provide “carve outs” for their particular part of the industry. The most egregious example of this is shown by the auto lending industry working diligently to ensure that they are not regulated in the same way that banks are. Why is this so bad?

Used car dealerships that offer cars to folks who can’t otherwise get traditional financing might seem to meet a need that low income people need. Unfortunately, they also do not use traditional formulas to determine what people can afford, so they sell these cars knowing that there is a reasonable expectation that the car will eventually be repossessed. The debt ends there, right? If you no longer have the car, you aren’t responsible for the payments, right? Wrong. Those who fall prey to these “deals” are still responsible for any debt in excess of the value of the vehicle, even after they no longer own the car. And because the price of the car often exceeds its assessed value at the time of the sale, these consumers are already “underwater” with these loans the moment that they take possession of the vehicle. These “dealerships” make more money from financing autos than they do from actually selling autos. And this is no accident. It is by design.

This is just one example. There are many, many example of particular sectors within the financial services industry whose representatives are trying to make back room deals to ensure that they are exempt from any change in the rules. We cannot allow this to happen. The financial industry needs new rules, because the old rules have failed us. The banks, who are supposed to have their customers’ best interest at heart, often don’t. And the legalized casino that is the derivatives market needs to be closed for good. Transparency and accountability need to once again rule the day in the financial services industry. Sunlight is indeed the best disinfectant.

As people of faith, we are asking our representatives in Congress to put the needs of the people in our communities and congregations above the desires of their political donors. The American people need to believe that their elected representatives care more about stabilizing Main Street than protecting Wall Street.