

## Good News From Adams-Morgan

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**F**OR MORE THAN 15 months, citizens' groups in Adams-Morgan have been fighting an attempt by Perpetual Federal Savings and Loan Association to install a branch office at 18th Street and Columbia Road. The issue was not zoning, crowding or beautification. Rather, the citizens groups were contending that Perpetual's lending policies had discriminated against poorer residents of the area, and they were concerned that such practices might force lower-income residents out of the neighborhood. They filed a statement of opposition to Perpetual's proposed expansion with the Federal Home Loan Bank Board, which supervises the activities of savings-and-loan associations. But now, after several months of hard negotiations, Perpetual and the community have worked out their differences. They have reached a loan-policy agreement, which was recently approved by the Bank Board—along with Perpetual's application to build the new branch.

The terms of this novel agreement call for Perpetual to provide loans for as much as 90 per cent of the purchase price for moderately priced homes and for nonprofit housing cooperatives. Perpetual will also

provide loans for both the purchase price and reconstruction of moderately priced homes and condominiums in the area. In addition, a branch advisory committee will be created, composed of neighborhood residents and appointees of Perpetual. It will assist community groups working on home finance, review loan denials and monitor compliance with the agreement. Housing counseling services, paid for by Perpetual, will be available at the 18th and Columbia branch, as will bilingual assistance for the Spanish-speaking community.

This agreement sets an encouraging precedent. It marks the first time a federal banking agency has formally accepted a written settlement between a savings-and-loan association and a protesting community group. The participants are all to be congratulated. The Federal Home Loan Bank Board, under the new leadership of Robert McKinney, has taken a major step toward encouraging local groups and financial institutions to work out their differences. And the neighborhood residents now have a chance to have a stake in their community—and that seems to be the most important gain of all.