

Bank of America



Bank of America Cuts Business with Illegal Immigrant Holding Facilities for Illegal Immigrants and Private Prisons

Bank of America announced it will stop lending to migrant detention centers and private prisons to avoid public backlash, following similar moves by JP Morgan Chase, Wells Fargo and the US Bank. Banks are already targets of the presidential candidates and are trying to avoid being the crossfire of these issues that became even more emotional after Democrats took control of the House in 2018 and Maxine Waters became the chair of the Financial Services Committee. Bank of America is trying to avoid criticism after reporting a profit of \$28 billion in 2018, according to an analyst.

Bank of America will cease lending to detention centers and private prisons, making it one of the last big Wall Street bankers to cut ties with the industry as corporations wrestle with whether to cash in on President Trump's immigration policies or create distance amid increasing public backlash.

“The private sector is attempting to respond to public policy and government needs and demands in the absence of long standing and widely recognized reforms needed in criminal justice and immigration policies,” Bank of America said in a statement to The Washington Post. “Lacking further legal and policy clarity, and in recognition of the concerns of our employees and stakeholders in the communities we serve, it is our intention to exit these relationships.”

Dropping private prison companies is a way for banks, already targets of Democratic presidential candidates, to get out of the crossfire on another emotional issue, industry analysts have said. JPMorgan Chase and Wells Fargo made similar moves earlier this year, and U.S. Bank told The Post in March that it, too, was pulling back.

Banks have been conducting a cost-benefit analysis on whether the relatively small fees drawn from the prison industry are worth the political headache and potential reputational hit, said Ed Mills, a Washington-based policy analyst with Raymond James. The calculus changed after Democrats took control of the House in 2018, elevating Rep. Maxine Waters (D-Calif.) to the chair of the powerful Financial Services Committee where progressive lightning rod, Rep. Alexandria Ocasio-Cortez (D-N.Y.), also serves, he said. No “big bank CEO wants to go in front of Congress and have to explain why their bank is financing something politically controversial,” Mills said. “The banking fee is not worth the risk.”

The moves also come as big banks post record profits and the Trump administration rolls back regulations put in place after the global financial crisis. In 2018, Bank of America reported profit of \$28.1 billion – an all-time high and 56 percent higher than the \$18 billion recorded the year before. Its

chief executive, Brian Moynihan, made \$26.5 million last year.

[Read full article here...](#)