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NCRC: A PARTNER FOR NATIVE CDFIS

Overview and Housekeeping

Today's Presentation

- **A Brief History of CRA & NCRC**
- **A Tutorial on Community Reinvestment Act (CRA) Exams**
- **An update on NCRC's Community Benefit Agreement Efforts**

Questions.

We'll take questions at the end.

We'll answer as many as we can after the presentation and in follow-up materials.



Greg Wilson

AN INTRODUCTION TO NCRC

A **good bank** can anchor a vibrant community

It can be as important to the success of a community as a good school, or a hospital

Like some public institutions, **banks have obligations too**

They have an obligation to address **community needs**

They have an obligation to produce a **public benefit**



COMMUNITY REINVESTMENT ACT (CRA)

- Passed in 1977, the Community Reinvestment Act was part of a series of legislative attempts to end redlining and discrimination in housing, including:
 - Fair Housing Act
 - Equal Credit Opportunity Act
 - Home Mortgage Disclosure Act
- Establishes a **“continuing and affirmative obligation”** for banks to meet **“the credit needs of its entire community . . . consistent with the safe and sound operation of the institution”**
- Creates a framework for the community to engage with the bank

About NCRC

The National Community Reinvestment Coalition and its grassroots member organizations create opportunities for people to build wealth. Its [members](#) include community reinvestment organizations; community development corporations; local and state government agencies; faith-based institutions; community organizing and civil rights groups; minority and women-owned business associations, as well as local and social service providers from across the nation.

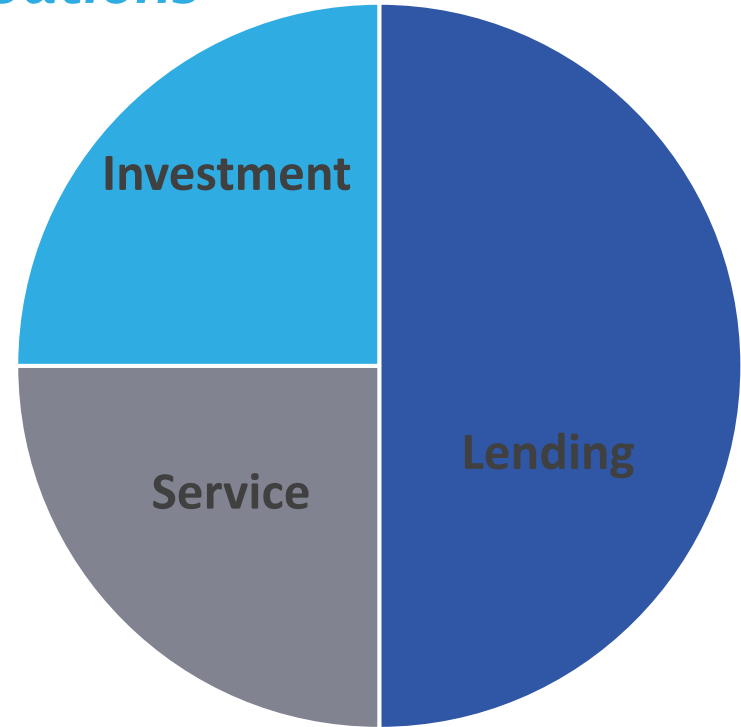
Programs & Services

- Agenda-setting research, training, insight
- Renovate and build affordable homes for low- and moderate-income families
- Counseling for home buyers and owners
- Business-building expertise for entrepreneurs
- Train and support housing counselors
- Test and challenge discrimination in financial services and housing
- Convene and facilitate agreements between financial institutions and community networks to increase lending, investments and philanthropy in neighborhoods that need it
- Represent members before Congress and federal regulatory agencies
- Routinely cited by journalists, economists and scholars focused on banking, housing, urban renewal, rural development and civil rights.

How Is CRA Supposed to Work?

Performance Evaluations

- The ratings regulators give come from their performance on three separate tests, sometimes referred to as component tests
- Banks' ratings are based on data analysis, reviews of records, and public comments

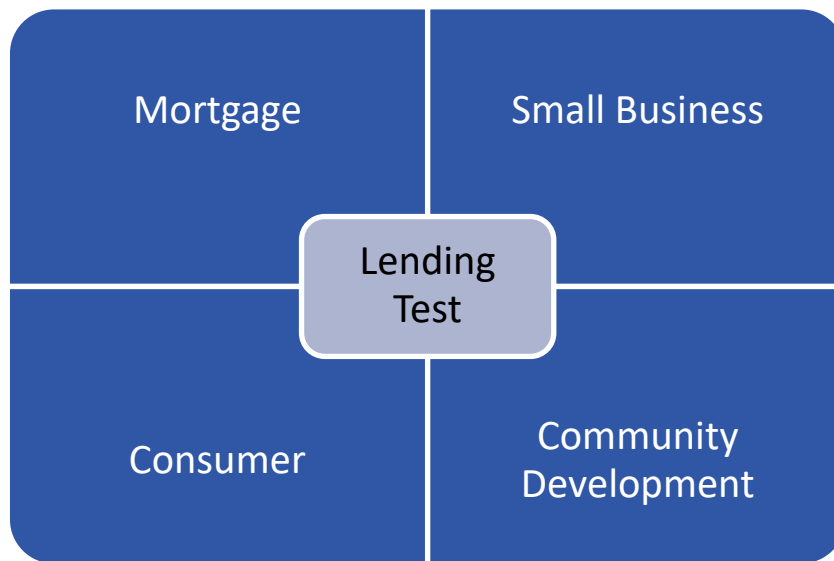


How Is CRA Supposed to Work?

Lending Test

This test assesses how well the bank is serving the credit needs across four main areas

Low to moderate income (LMI) borrowers and neighborhoods are the focus





Catherine Petrusz

NAVIGATING CRA EXAMS

Performance Evaluations (aka "CRA exams")

The CRA requires banking regulators to assess each bank's record of meeting the **credit needs of their local communities**, including low- and moderate-income areas.

Every 3-4 years, banks get a CRA rating resulting from a **performance evaluations** undertaken by the bank's primary federal regulator:

- Federal Deposit Insurance Corporation ([FDIC](#));
- Federal Reserve Board ([FRB](#)); or
- Office of the Comptroller of the Currency ([OCC](#))

Performance Evaluations (aka "CRA exams")

- CRA ratings are based on an evaluation of three areas of bank activities, sometimes referred to as "**component tests**"
 - Lending Test
 - Investment Test
 - Service Test
- All of the tests measure performance in the bank's "**assessment areas**" which are the geographic area where the bank has branches
- Banks' ratings are based on data analysis, reviews of records, and **public comments**

HOW IS CRA SUPPOSED TO WORK?

Banks can receive the following ratings on CRA exams:

- Passing
 - Outstanding
 - Satisfactory
- Failing
 - Needs to Improve
 - Substantial Non-compliance

Example: First National Bank of Omaha

Performance Levels	FNBO Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Example: First National Bank of Omaha

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS: FNBO				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
FNBO	Outstanding	Outstanding	High Satisfactory	Outstanding
Multistate Metropolitan Area or State:				
Omaha CSA	Outstanding	Outstanding	High Satisfactory	Outstanding
State of Colorado	Outstanding	Outstanding	High Satisfactory	Outstanding
State of Illinois	Outstanding	Outstanding	Low Satisfactory	Outstanding
State of Kansas	Outstanding	Outstanding	Needs to Improve	Satisfactory
State of Nebraska	Outstanding	Outstanding	High Satisfactory	Outstanding
State of South Dakota	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Texas	High Satisfactory	Outstanding	Substantial Noncompliance	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

FINDING A CRA PERFORMANCE EVALUATION

1. Determine bank's CRA regulator: [FDIC Institution Directory](#)
2. Find the CRA Performance Evaluation:
 - [Community Reinvestment Act - Search \(federalreserve.gov\)](#)
 - [CRA - Community Reinvestment Act \(CRA\) \(occ.gov\)](#)
 - [FDIC: CRAPES](#)

Example: First National Bank of Omaha

Demographic information as of January 13, 2022		
First National Bank of Omaha 1601 Capitol Avenue Omaha, NE 68102		
FDIC Certificate #:	5452	Date Established: 1/1/1857
Bank Charter Class:	National Bank	Date of Deposit Insurance: 1/1/1934
Primary Federal Regulator:	Office of the Comptroller of the Currency	More Demographic Information →
Secondary Federal Regulator:	The Consumer Financial Protection Bureau	
Primary Internet Web Address:	www.fnbo.com	Generate History →
Information Gateway		
ID Report Selections:	Report Date:	Generate Report
<input type="text" value="Assets and Liabilities"/>	<input type="text" value="September 30, 2021"/>	
----- More Information -----		
i Current List of Offices	i Bank Holding Company Ownership and Affiliates	
i Compare to Peer Group(s)	i Consumer Assistance from Primary Federal Regulator	
i FFIEC Call/TFR Report 9/30/2021 Latest Available	i Organization Hierarchy from the Federal Reserve System	
i FFIEC Uniform Bank Performance Report (UBPR)	i OCC CRA ratings	
i FDIC/OTS Summary of Deposits		
Press i for description		

Example: First National Bank of Omaha

TOPICS

Supervision & Examination

Economics

Laws & Regulations

Charters & Licensing

Consumers & Communities

Community Affairs

Community Reinvestment Act (CRA)

CRA Exam Schedule

CRA Performance Evaluations

CRA Qualifying Activities Confirmation Request

Consumer Protection

Financial Literacy

Minority Outreach

Public Bank Information

Community Reinvestment Act (CRA)

SHARE THIS PAGE:



The [Community Reinvestment Act of 1977](#) (CRA) encourages certain insured depository institutions to help meet the credit needs of the communities in which they are chartered, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of such institutions.

The CRA requires federal banking agencies to

- assess the institution's record of meeting the credit needs of its entire community, including LMI neighborhoods, consistent with the safe and sound operation of such institution, and
- take such record into account in its evaluation of an application for a deposit facility by such institution.

2021 Final CRA Rule (Based on 1995 CRA Rule)

On December 14, 2021, the Office of the Comptroller of the Currency (OCC) issued a final rule to rescind the June 2020 CRA rule and replace it with a rule based on the rules adopted jointly by the federal banking agencies in 1995, as

Example: First National Bank of Omaha

Charter/ Docket	Bank	City	State	Evaluation Date	Rating	Examination
209	First National Bank of Omaha	Omaha	NE	04/08/2019	Outstanding	Large Bank
209	First National Bank of Omaha	Omaha	NE	01/04/2016	Outstanding	Large Bank
209	First National Bank of Omaha	Omaha	NE	01/03/2011	Satisfactory	Large Bank
209	First National Bank of Omaha	Omaha	NE	10/16/2006	Satisfactory	Large Bank
209	First National Bank of Omaha	Omaha	NE	07/26/1999	Satisfactory	Large Bank
209	First National Bank of Omaha	Omaha	NE	02/19/1997	Outstanding	
209	First National Bank of Omaha	Omaha	NE	01/13/1995	Outstanding	
209	First National Bank of Omaha	Omaha	NE	05/19/1993	Outstanding	

Example: FDIC CRA Exams ("CRAPES")

FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

ABOUT RESOURCES ANALYSIS NEWS

Home > Industry Analysis > Bank Data & Metrics > Community Reinvestment Act (CRA) Performance Rating Home

Community Reinvestment Act (CRA) Performance Ratings

Welcome to the FDIC CRA Ratings search.

Note: As part of the October 2021 monthly publication, the FDIC corrected the source data used to generate the search results for Lending, Service, and Investment component ratings for several large bank CRA Performance Exclusions (PE). During previous publications, certain data fields were misaligned and caused the search results to display missing or incorrect lending, investment, and service component ratings for banks evaluated under the large bank criteria. However, the search results displayed the correct overall CRA rating for each bank, and the PEs also contained accurate overall and component ratings. The FDIC apologizes for any inconvenience this may have caused.

These pages enable you to find current and past CRA ratings and PEs for specific institutions that have been examined by the FDIC since July 1, 1990. The site offers users the opportunity to search for the ratings and PEs of one or more institutions through the use of drop-down search options for criteria such as "Asset Range", "CRA Rating", "City", "Release Year", etc.

FDIC Release Year refers to the year in which the FDIC made public (via monthly Press Release) the results of a CRA examination. For example, if the PE for a CRA examination was made public in the press release of June 2020, you would enter "2020" in this field. The actual exam date can be found in the public exclusion.

If the FDIC no longer supervises an institution due to charter conversions, closings, mergers or other activity subsequent to the most recent FDIC examination, the CRA Rating and asset data from the last FDIC examination will appear in the default query results. However, the name of the current supervisory agency will also be provided. For CRA performance ratings of banks currently supervised by the Office of the Comptroller of the Currency (OCC) or the Federal Reserve Board (FRB), use the Interagency Ratings Web site of the [Federal Financial Institutions Examination Council \(FFIEC\)](#).

The FDIC provides quarterly updates for FDIC-supervised institutions to the FFIEC. Due to the timing of updates to the FFIEC Web site, there may be a difference in data obtained between the FDIC and FFIEC Web sites and other information sources. Refer to [Frequently Asked Questions](#) more information.

Refer to [Frequently Asked Questions](#) more information.

To make a search, select search criteria and click Submit Query.

CRA Rating: All Ratings
* State: All States
Release: All Years
Bank Name:
Asset Range (Thousands): All Ranges
* City:
* City Criteria: All Proc Codes
* Display Fields: Row Number, Name, Release Date, Status
* Bank: Currently FDIC Supervised - Active

Example: FRB CRA Evaluations

The screenshot displays the Board of Governors of the Federal Reserve System website. At the top, the header reads "Board of Governors of the Federal Reserve System" with the tagline "The Federal Reserve, the central bank of the United States, provides the nation with a safe, flexible, and stable monetary and financial system." Below this is a navigation menu with links for "About the Fed", "News & Events", "Monetary Policy", "Supervision & Regulation", "Payment Systems", "Economic Research", "Data", and "Consumer & Communities".

The main content area is titled "Community Reinvestment Act (CRA)". On the left, there is a sidebar menu with the following items: "History of the CRA", "CRA Regulations", "Proposed Rulemaking", "How Banks Are Evaluated & Rated", "Search: Evaluations & Ratings" (highlighted in blue), "Search by Branch Location", "Search Exam Schedule & Submit CRA Comments", "Evaluation Methods", "Strategic Plans", "Wholesale & Limited Purpose Descriptions", "CRA Analysis Data Tables", "Hearings", and "Resources".

The main search area is titled "Search: Evaluations & Ratings (Federal Reserve Supervised Banks)". It features a sub-header "Search for Performance Evaluations & Ratings of State Member Banks" and a search form with the following fields:

- Vehicle Name or ID (text input)
- Overall CRA Rating (dropdown menu, currently set to "AZ")
- City (text input)
- County (text input)
- State (dropdown menu, currently set to "All")
- Asset Size Range (in Thousands) (dropdown menu, currently set to "All")
- Exam Year (dropdown menu, currently set to "All")
- Public Year (dropdown menu, currently set to "All")
- Exam Method (dropdown menu, currently set to "All")

At the bottom of the search form are "Clear" and "Search" buttons. Below the search form, there is a section titled "Search for CRA Performance Evaluations of non-Federal Reserve supervised banks:" with a list of options: "FDIC" and "OCC".

At the bottom left of the page, it says "Last update: Feb 01, 2011".



Juan Leyton

COMMUNITY BENEFIT AGREEMENTS

CRA WORKS WHEN YOU DO



*“Full responsibility for
CRA enforcement has always
been the job of people in
the neighborhoods.”*

Gale Cincotta, Chairperson, National People's Action
and Executive Director, National Training and
Information Center

Community Benefit Agreements (CBAs)

- Regulators look closely at CRA performance when banks want to buy or merge with another bank.
- CBAs are a way for banks to spell out, in writing, how they will satisfy CRA requirements for 3-5 years following a merger.
- CBAs are agreements are between banks and community groups.

CBAs and NCRC

NCRC plays the role of facilitator and negotiator on behalf of community groups that are members of NCRC.

CBA Step One: NCRC analyzes local lending and community development data, and reviews it with NCRC member organizations to identify gaps in services and how a bank merger would affect LMI constituents.

CBAAs and NCRC

CBA Step Two: With data in hand, NCRC seeks commitments from the banks to participate in a series of local market meetings, where NCRC members discuss their experiences and views on their community needs and propose improvements to the bank's community reinvestment plans.

CRA WORKS WHEN YOU DO

CBAAs depend on collaboration between banks and community organizations. That starts with dialogue and negotiation on the scope and scale of a bank's CBA commitment, and it continues after an agreement is signed through community councils set up to advise on implementation and monitoring of the agreement.

CRA WORKS WHEN YOU DO

- [Explainer: How NCRC brings banks and local leaders together for community benefits agreements » NCRC](#)
- [First Citizens Bank](#) in February 2021 for \$16 billion.
- [PNC Bank](#) in April 2021 for \$88 billion.
- [Huntington Bancshares](#) in June 2021 for \$40.7 billion.
- [M&T Bank](#) in October 2021 for \$43 billion.

Become A Member

www.ncrc.org/membership

We're a network of local and national nonprofits,
government and educational institutions.

Together, we lead the movement for a #JustEconomy.

For upcoming training and events from NCRC, visit:

www.ncrc.org/events

Save the Date!

2022 Just Economy Conference

June 13 – 15, 2022

Washington Hilton, 1919 Connecticut Ave NW, Washington, D.C. 20009

America needs a new reality rooted in a Just Economy.
Come to the **national event** for community, policy, government,
business and foundation leaders who work for fairness in lending, housing and
business, and to make all Americans equal parts of the
formula for national success.



Questions?



Contact:

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Member Resources

TOOLS

FAIR LENDING TOOL

Produce a custom report on the mortgage/small business lending and bank branch networks in your area.

MEMBER HUB

Become a member and gain access to exclusive content.


JUST ECONOMY FORUM

A network for members: Share knowledge, opportunities, successes and challenges.

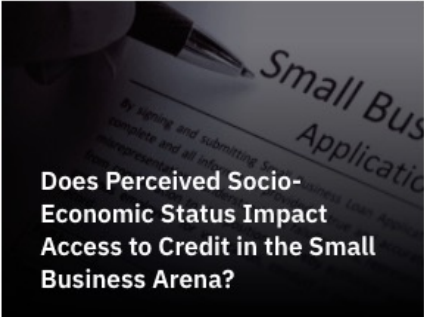
BANK BRANCH LOCATOR

An interactive dashboard to locate clusters, branch deserts and gather additional data on how branches are serving your community.


REPORTS



**NCRC 2020 Home Mortgage
Report: Examining Shifts
During COVID**



**Does Perceived Socio-
Economic Status Impact
Access to Credit in the Small
Business Arena?**



**Making CRA Relevant for a
Changing Financial Services
Industry**

#TreasureCRA

A campaign to strengthen CRA.

nrc.org/treasurecra

TAKE ACTION

TOOLKIT

SHARE

SIGN UP FOR UPDATES

See what is at risk in your community with this tool. Include these findings in a comment letter about the proposed rules.

Select your city to see how much CRA qualified lending was reported from 2009 through 2018.

Metro Area

(All)

Mortgages to LMI Borrowers or Neighborhoods

\$2,260,454,727,850

Business Loans to LMI Neighborhoods

\$564,179,101,280

Loans to Small Businesses

\$638,349,745,000

tableau