CRA Reform: A Community Organization Perspective

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NCRC

• Coalition of 600 community-based organizations
• CRA, data, and fair lending advocacy
• Programs – housing counseling, small business technical assistance
• GROWTH – purchase and rehab REOs
• http://www.ncrc.org
What we agree on

• More certainty and predictability helps create more lending and investing
• 1-800-CRA-help – how to make this manageable, early determinations
• Database on CD would really help.
• Need for assessment area reform
• Component test reform

See NCRC blog for areas of agreement
Do No Harm!

- One ratio
- Redefine CRA away from focus on LMI communities – accommodate projects that benefit LMI and MUI, pro rata consideration
- Redefine CRA away from community development – it is not general philanthropy
- Keep focus on combating redlining, access to credit, and revitalizing neighborhoods
- Asset thresholds
- See recent [NCRC law review article](https://ncrc.org)
Assessment Area Reform

• NCRC proposal – retain AAs where branches are. 70% of bank lending in AAs
• NCRC proposal - create new AAs where retail activity is high volume or important to locality
• Two part proposal covers traditional banks and non-traditional banks & fintechs
• Separate AAs for retail and CD?
CD data and outside AA

• Annual CD data – is it all that different from what banks do now – binders of CD for examiners and OCC quarterly reports
• How this would help with outside AA consideration
• Can keep track in between exams of CD in AAs
• Identify underserved counties, add these to statewide and regional consideration
Component tests

• Lending and CD
• Service – do not eliminate, make better, retain importance on branches (needed to serve LMI) and data on accounts
• Weights of tests
CRA ratings reform

• Are 90 percent of banks really satisfactory
• Low and High Sat
• 100 point scale