

# Center for Disability-Inclusive Community Development

**Michael Morris**, Executive Director

**Mark Richert**, Director of the  
Center for Disability-Inclusive Community Development  
National Disability Institute

# Welcome

**Michael Morris**

*Executive Director*

National Disability Institute





# Agenda

1. CRA: Understanding the Basics
2. The Relationship of Low- and Moderate-Income (LMI) Populations and Neighborhoods to LMI People with Disabilities
3. Orientation to the New Center and Future Activities
4. Examples of Inclusive Community Development
5. Panel Questions
6. Chat Q&A

# CRA: Understanding the Basics

**Tom Stokes**

*Regional Manager, Community Affairs*

*Atlanta Region, Division of Depositor and  
Consumer Protection (DCP)*

Federal Deposit Insurance Corporation (FDIC)





# The Community Reinvestment Act



# The Community Reinvestment Act

CRA was enacted in 1977 to encourage regulated financial institutions to help meet the credit needs of the communities in which they operate, including *low- and moderate-income* neighborhoods, consistent with *safe and sound* banking operations.





# Bank Regulators for CRA

Regulator	Oversight
Federal Deposit Insurance Corporation (FDIC)	Regulates non-Federal Reserve member state chartered banks
Federal Reserve Bank (FRB)	Regulates state chartered member banks, bank holding companies
Office of the Comptroller of the Currency (OCC)	Regulates national chartered banks

*Excludes credit unions and non-bank financial providers*

*To find out the regulator of a financial institution and its insurance status, visit <http://research.fdic.gov/bankfind/>.*





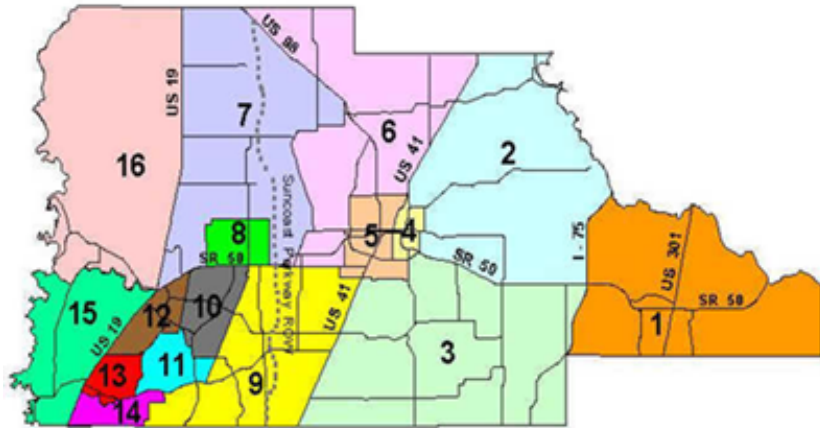
# Role of Supervisory Agencies (FDIC, FRB and OCC)

- Encourage institutions to help **meet the credit needs of the local communities** in which they operate
- Must take CRA record into account when evaluating corporate applications for
  - ◆ Branching
  - ◆ Mergers
  - ◆ Acquisitions
  - ◆ Consolidations



# CRA Key Elements

- **CRA Assessment Area**
- **Low- and moderate-income (LMI)** persons or geographies
- **Community development** activities are *responsive* to community needs
- **Performance context**
  - ◆ Community Contacts



- Banks define their **Assessment Area**, which is the area in which their CRA performance is evaluated
- Must include:
  - geographies (census tracts) in which bank has its main office, branches and deposit-taking ATMs, and
  - surrounding areas where bank has originated or purchased a substantial portion of its loans
- Must consist of **“whole geographies”**



# Low- and Moderate- Income

- **Low-income:** an individual income or tract income that is less than 50% of the Median Family Income (MFI)
- **Moderate-income:** an individual income or tract income that is at least 50% and less than 80% of the MFI
- **Middle-income:** an individual income or tract income that is at least 80% but less than 120% of MFI
- **Upper-income:** an individual income or tract income that is equal to or greater than 120% of MFI



# Community Development

- The bank's activity must have a **primary purpose** of Community Development to receive CRA credit.
- **Primary purpose** means the majority of activity dollars or beneficiaries of the activity are related to a CD purpose.
- A bank activity has **community development** as its primary purpose when it is designed for the express purpose of:
  - ◆ Affordable housing for LMI persons
  - ◆ Community services targeted to LMI persons
  - ◆ Economic Development | Small Business
  - ◆ Revitalization/Stabilization of certain geographies
    - LMI Geographies | Rural Distressed or Underserved Areas | Disaster Areas





# Types of Community Development Activities

- Banks undertake three types of community development activities:
  - ◆ CD **Loans**
  - ◆ CD **Investments** (aka Qualified Investments) are an investment, deposit or membership share or grant that includes monetary or in-kind donations
  - ◆ CD **Services** must be related to the provision of financial services or bank staff's expertise/banking role
- The community development activities **must** benefit the bank's assessment areas or the broader statewide or regional area that includes the bank's assessment area



# CRA Evaluation Frequency

- **CRA performance is evaluated on a periodic basis depending on the size of the bank**
  - ◆ Small Banks = 48 to 60 months
  - ◆ Intermediate Small Banks = 36 months
  - ◆ Large Banks = 36 months

# CRA Ratings

- Outstanding
- Satisfactory
- Needs to Improve
- Substantial Noncompliance





# Public Information

- **CRA Exam Schedule** | published by each agency
  - ◆ Opportunity for the public to comment on community needs and bank performance
- **CRA Performance Evaluations (PE)**
- **CRA Public Notice** | must be displayed in the public lobby of each of its offices
- **CRA Public File** | Available at main office, certain branches or online (includes the most recent CRA PE, AA list/maps, etc.)



# Developing Effective Partnerships

## Potential partners for banks should:

- Provide documentation to the bank showing how an activity fits the CRA definition of community development
- ◆ Talk to bank regulators about:
  - Community needs
  - Your organization's relationships with banks
  - Providing help in finding and researching online information on banks in your market
  - Understanding CRA



# Relationship of Low- and Moderate-Income (LMI) Populations and Neighborhoods to LMI People with Disabilities

**Nanette Goodman**

*Director of Research*

National Disability Institute



# Empirical Evidence Shows:

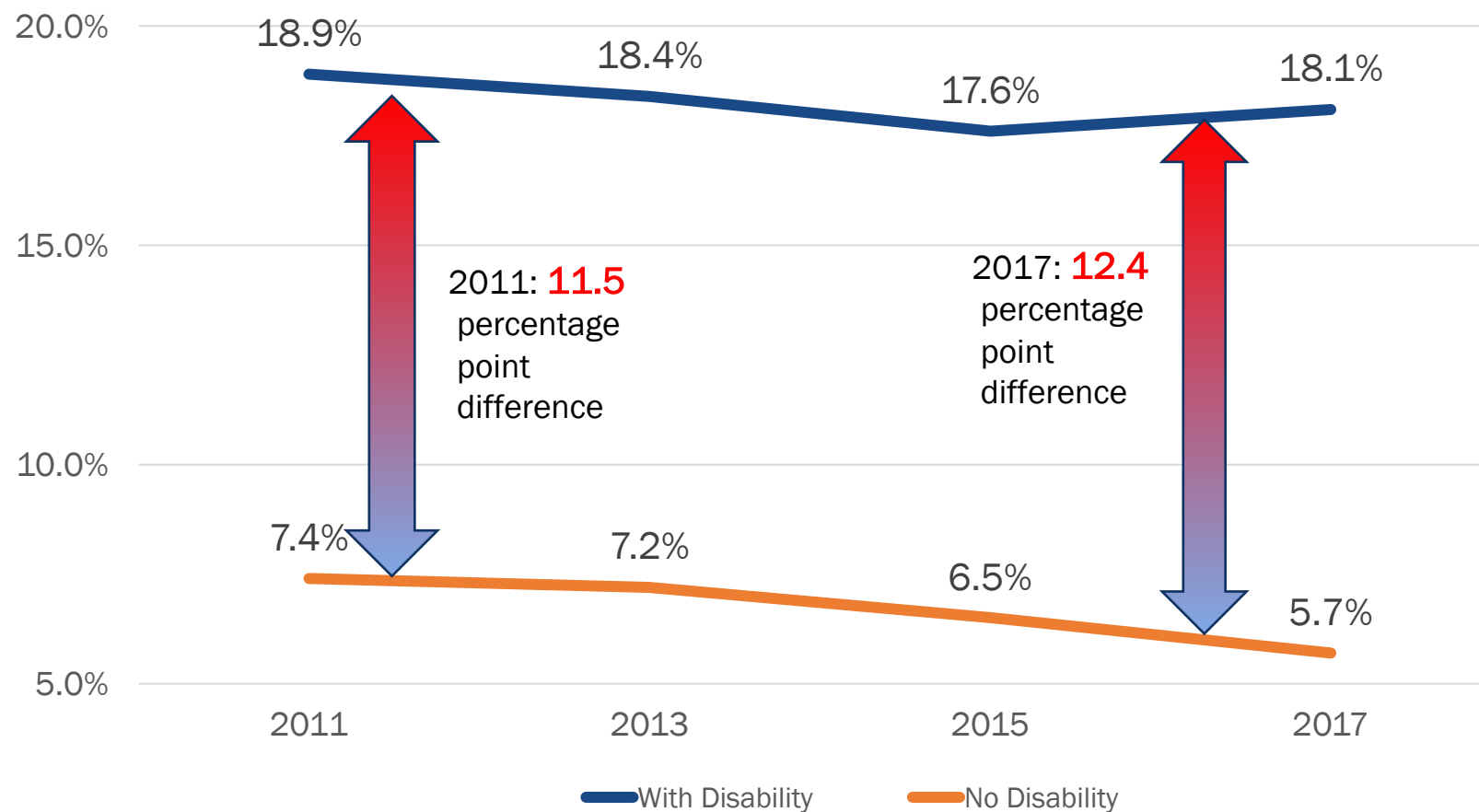
## Population size is significant

- Americans with disabilities comprise an estimated 20 percent of the U.S. population (40-57 million people).
- One in four families have a family member with a disability.
- 22 million working-age adults have disabilities.
- More than 6 million children receive special education services annually.
- Over one million wounded warriors have service connected disabilities from conflict in the Middle East.

## Many are living in or near poverty

- Working age adults with disabilities are twice as likely to live in poverty than those without disabilities (28 percent vs. 13 percent).
- Despite significant reductions in poverty for women and people of color over the past five years, individuals with disabilities have seen no such reductions.
- Poverty rates are even higher for people with disabilities of color, those with lower levels of education and women.
- People with disabilities make up over 40 percent of the population of those living in long-term poverty.

# Unbanked: Disability Gap is Growing

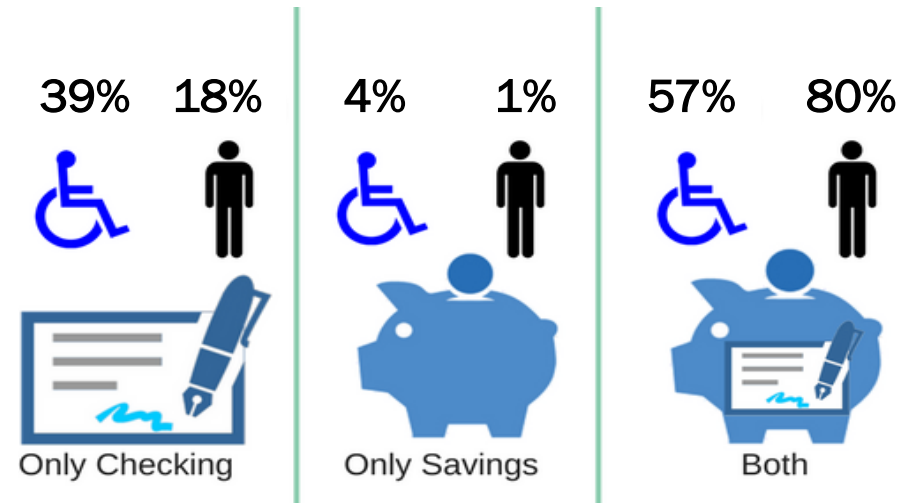


Source: 2011-2017 FDIC Surveys of Unbanked and Underbanked Households

# Use of Accounts by Banked Households

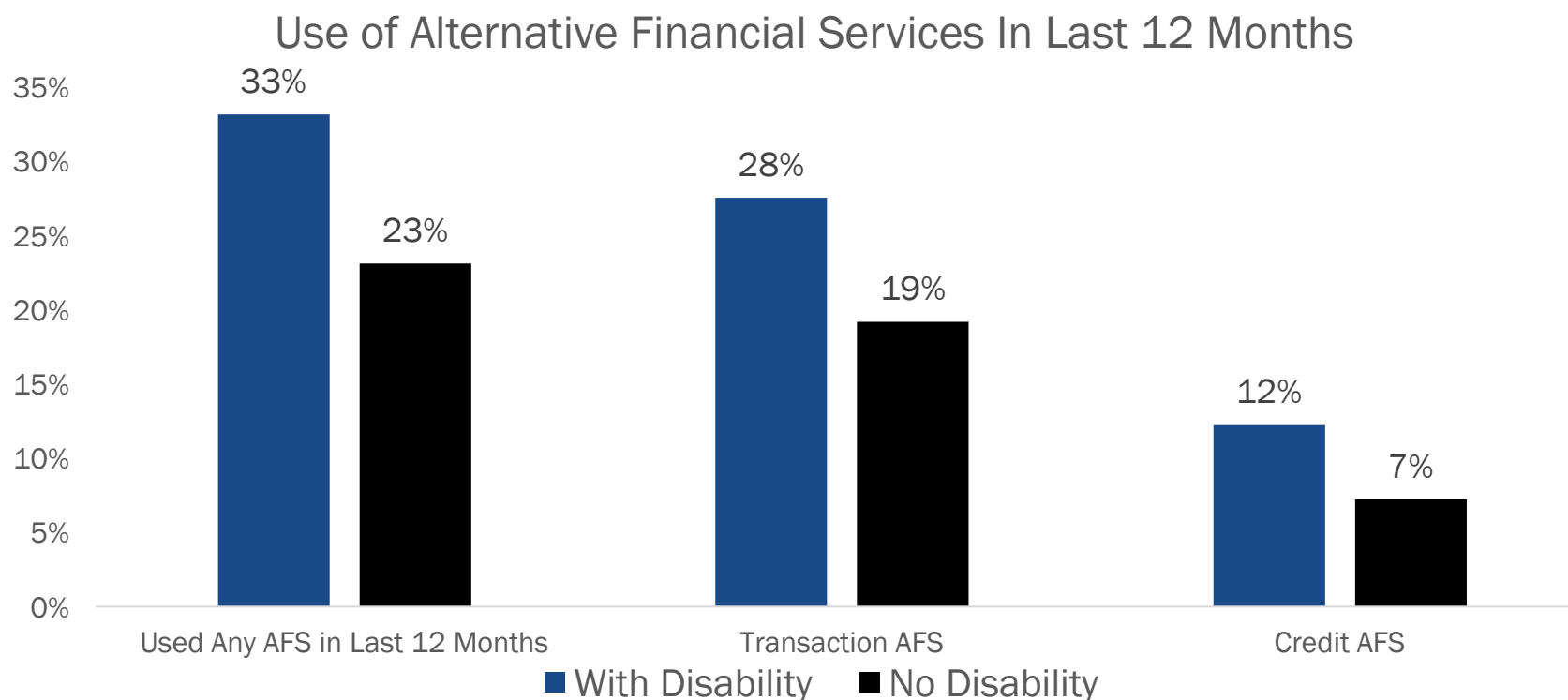
Even among households with bank accounts,

- Households with a disability are less likely to have both a checking and savings account.
- Households with a disability are much less likely to use online banking (47% compared with 73%).
- More likely to use the bank teller as the primary method to access their accounts.



Source: 2017 FDIC Surveys of Unbanked and Underbanked Households

# Financial Exclusion Leads to Potentially Expensive Use of Alternative Financial Services



Source: 2017 FDIC Surveys of Unbanked and Underbanked Households



# Financial Stress Among People with Disabilities



People with disabilities are almost **3 times more likely** to have extreme difficulty paying bills.



They are also more likely to report that they **could not** come up with \$2,000 if an unexpected need arose.



People with disabilities are almost **2 times more likely** to skip medical treatments because of cost.

People with disabilities are more likely to...



...be late on mortgage payments.

**31% vs 14%**



...overdraw on checking accounts.

**31% vs 18%**



...take loans from retirement accounts.

**23% vs 10%**

Disability No Disability



## Impact of Financial Stress

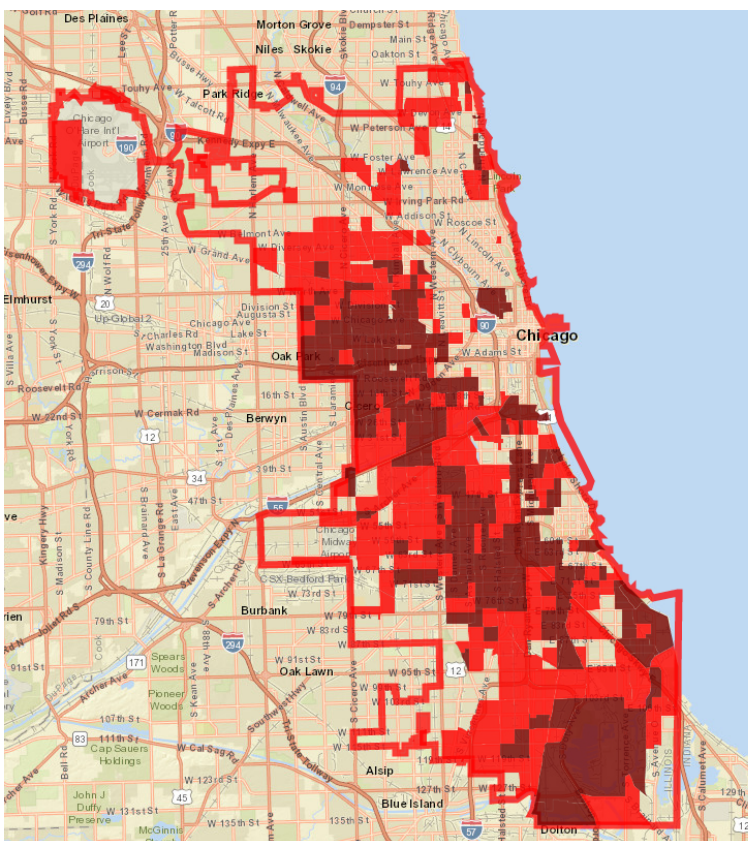
- Almost ½ skip medical treatments because of cost.
- Research has found that financial stress impacts physical and mental health.
- More than ⅓ have an unmet need for credit.

Artist: Sherwin Long  
*Peace of Mind*

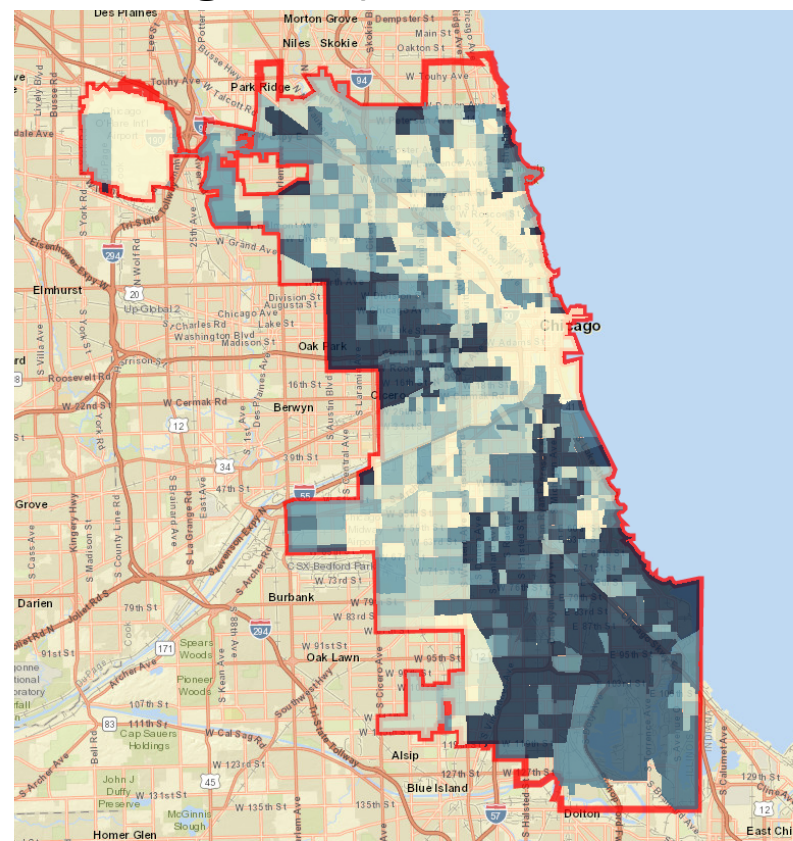


# Significant Overlap between LMI Neighborhoods and Disability – Chicago Example

Low-Moderate Income Designation



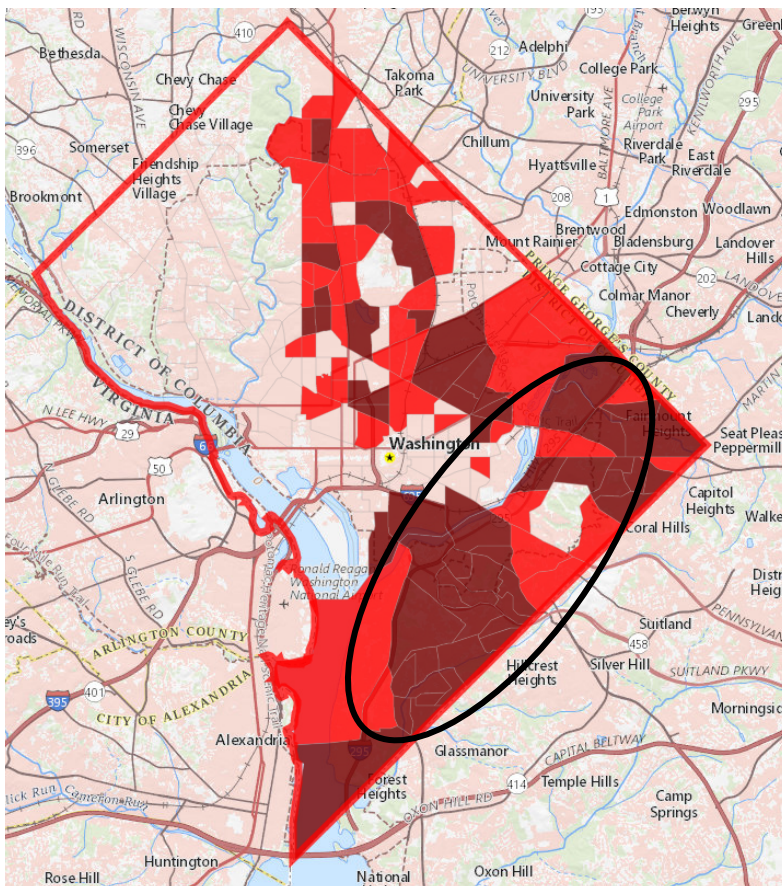
Percentage of Population with Disability



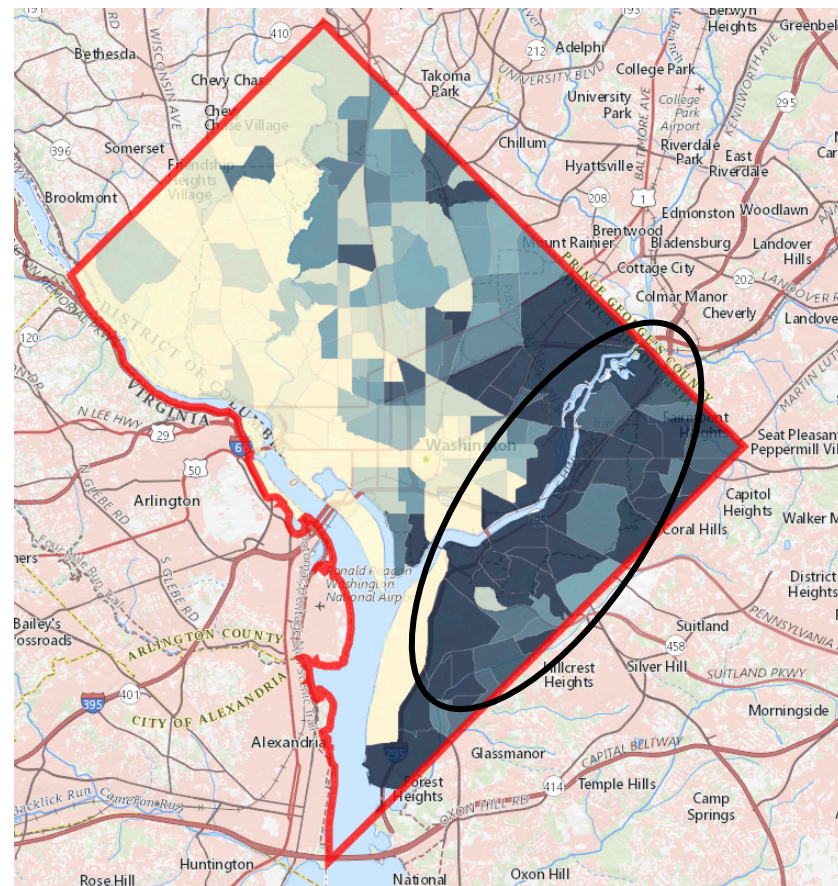


# District of Columbia

Low-Moderate Income Designation



Percentage of Population with Disability



# Orientation to the New Center and Future Activities

**Mark Richert**

*Director of the  
Center for Disability-Inclusive  
Community Development*  
National Disability Institute



# Introducing the New Center for Disability-Inclusive Community Development (CDICD)

## Goal:

To improve the nationwide, financial well-being of low- and moderate-income (LMI) persons with disabilities and their families.



# Primary Purposes

- To raise broad awareness within the disability community about the opportunities for capacity building available through investment, lending and services offered by banking institutions as part of their CRA responsibilities; and
- To foster greater connectivity between the financial services sector and the disability consumer and service provider communities well suited to collaborate on inclusive community development activities.

# Principal Outcomes to be Achieved

- Community-based disability service organizations will gain a better understanding of the investment, lending and service opportunities open to them as they consider how to best fashion CRA-qualifying community development activities meeting the unique needs of LMI people with disabilities.
- Financial institutions will be better equipped to recognize and evaluate disability-related community development proposals as CRA-qualifying projects and activities.
- Federal regulators will be better prepared to evaluate financial institutions' CRA performance in a way that is truly disability inclusive.



# Audiences to be Served

Five principal constituencies will be actively involved in and served by the Center:

- 1. LMI Persons with Disabilities:** Access to mainstream financial services that will allow individuals to improve financial stability and mobility will be enhanced by Center activities.
- 2. Financial Institutions:** The Center will increase access to a growing market share that is more likely to be unbanked or underbanked or have access to a savings account. Technical assistance will be available to support financial institutions in identifying and developing their Performance Context in primary assessment areas and connections to nonprofits that support LMI persons with disabilities and their families.

# Audiences to be Served (continued)

- 3. Community-Based Organizations Serving LMI Persons with Disabilities and Their Families:** Technical assistance from the Center will result in support of CRA projects that increase funding and capacity to build the financial well-being of LMI persons with disabilities and their families.
- 4. Community-Based Organizations Serving LMI Populations Generally:** Technical assistance from the Center will support community-based organizations serving LMI populations to expand their programs to include persons with disabilities and their families.
- 5. Federal Regulators of Financial Institutions:** Offer guidance to federal regulators about inclusive community development and data identifying LMI persons with disabilities and neighborhoods to assist financial institutions in meeting their CRA obligations.

# Phase One Work Plan

The first six-month phase of the Center's work plan will provide both the disability and banking communities with new access to training and resources that will accelerate the support of inclusive community development activities.

This inaugural webinar is the first in a webinar series targeting specific audiences and pilot testing the effectiveness of training and communications strategies.

# First Year Activities

- Establish the Center website with core information and education materials.
- Design and test inaugural training program for the disability and financial communities.
- Identify the gaps and develop tools that support financial institutions in identifying the needs of the targeted local disability communities.
- Gather and collect LMI disability data that financial institutions can access at the local level to provide the tools to measure meaningful impact for their inclusive investments, lending and services.
- Document and disseminate CRA best practice examples including, but not limited to, lending to Assistive Technology Alternative Finance programs, support of investment and lending to disability-owned small businesses, design of financial education programs to meet customized needs of individuals with disabilities, affordable and accessible housing development, seeding of ABLE accounts and improvement of broadband access to online financial services.

# Advisory Workgroup

NDI is proud to announce that our Board Chair, Janet Hamer, retired community development specialist with the Federal Reserve Bank of Atlanta, will serve as co-chair of a newly created workgroup to guide the Center's future direction. Joining her as co-chair will be Tom Stokes, Regional Manager of Community Affairs of the Atlanta Region of the Division of Depositor and Consumer Protection (DCP) of the Federal Deposit Insurance Corporation (FDIC).

Other members of the workgroup to be invited will represent financial institutions of varying size and geographic reach, as well as leaders in the disability community.

An advisor from each of the three federal regulatory agencies with CRA oversight will also provide support to NDI and the advisory workgroup.

If you are interested in participating in the workgroup, please email Hope Price ([hprice@ndi-inc.org](mailto:hprice@ndi-inc.org)). The workgroup will begin meeting in September on a bi-monthly basis.

# Examples of Inclusive Community Development - Bank Activities

**Janet Hamer**

*Principal*

Hamer Consulting

*Former Senior Regional*

*Community Development Manager*

Federal Reserve Bank of Atlanta

(Fourteen years specializing in small business and microfinance lending and access to banking and financial stability for LMI individuals and communities, promoting effective community development lending and investment programs and fair lending.)





# Bank of America: Sign-On

- Boost financial empowerment in the Deaf community through a combination of educational workshops and training and ASL videos.
- Improve communication access within financial institutions through Deaf awareness.
- Increase awareness among BoA staff and communication access to financial services in order to serve Deaf customers more effectively.

## 3 locations:

Austin, TX • Salt Lake City, UT • State of Maryland



Artist: Nancy Rourke, *Culturally Deaf*

# JPMorgan Chase

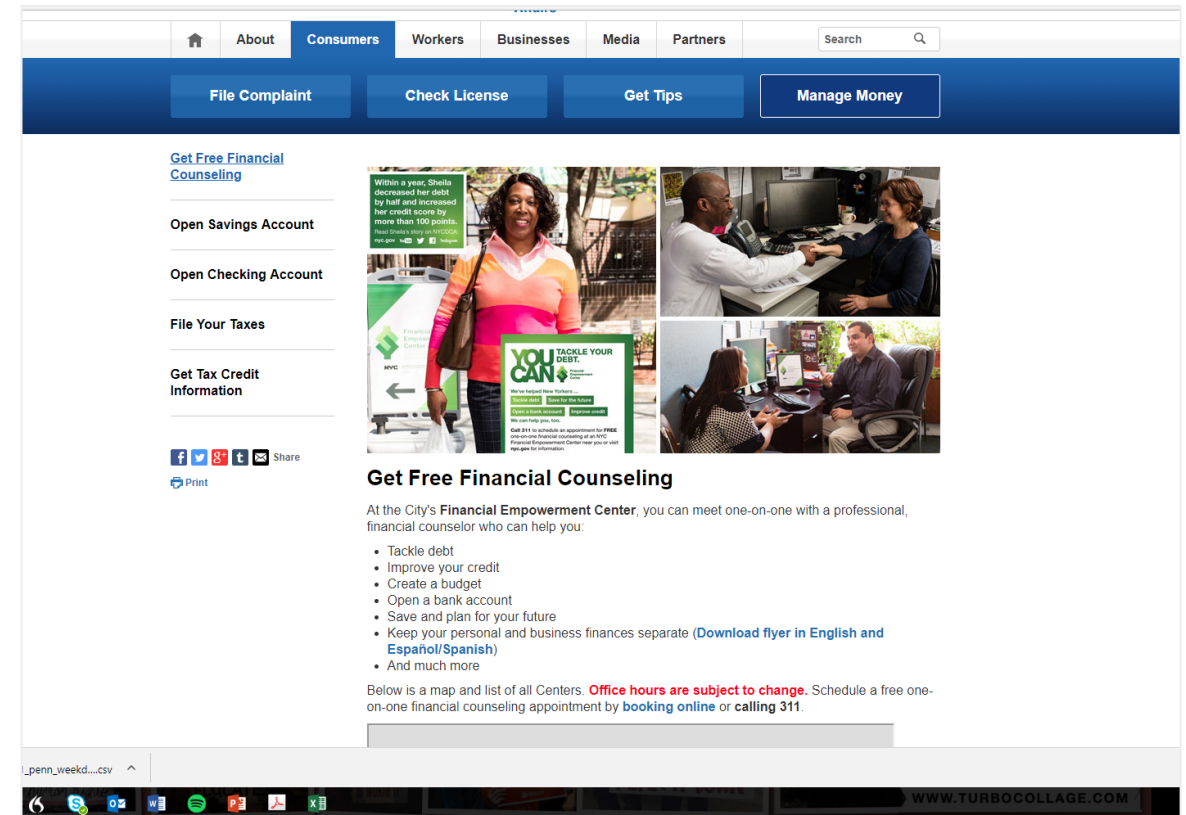




# Citi Community Development

## Empowered NYC: Financial Empowerment Program for People with disabilities and their families

- Free, high-quality, confidential service
- One-on-one meetings with certified financial counselors
- Covers a broad range of financial issues
- Customized to individuals with disabilities and their families
- Integrates critical information about disability benefits
- Services in the five boroughs of New York City, located at community-based organizations



# Spring Bank

- Issues and services loans for NDI's Assistive Technology Loan Fund in New York State.
- Provides an opportunity for borrowers to develop credit and is a viable alternative to predatory lending.

## Do You Need Assistive Technology?

### We Can Help!

National Disability Institute (NDI) can provide affordable loans to help people with disabilities purchase the assistive technology that best meets their needs.

### What is assistive technology?

Assistive Technology are products or devices that can improve your independence and quality of life.

Examples include:

- Accessible bathrooms
- Computer equipment
- Hearing aids
- Modified vehicles
- Scooters/wheelchairs
- Smart home technology
- And more!

**If you are a resident of New York or New Jersey, you may qualify.**

**Contact:**  
Laurie Schaller  
lschaller@ndi-inc.org  
202-449-9521

To learn more, visit NDI's website:  
[assistivetechloans.com](http://assistivetechloans.com)



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spring bank

**BMT**  
BRYN MAWR TRUST

# Panel Questions

1. What role do you have with the FDIC?
2. What role did you play at the Atlanta Fed?
3. As the new Center Director, what are priorities for the next six months of activities?
4. Nanette, explain more how the data pictures you showed could be used by banks to target CRA activities.
5. How can a community group partner with a bank to be part of CRA activities?
6. For LMI people with disabilities to be a focus of CRA activities, what needs to change?
7. What role can the new Center play with improving attention by banks and regulators to the LMI population with disabilities?
8. As co-chairs of the new Center's Advisor work group, who do you expect to participate and what do you expect their role to be?
9. In summing up, what is the one point you would like to share with our very diverse audience, so that we all move forward with disability-inclusive community development?

# Q&A

# Thank You!

For more information about the Center, please contact:

**Mark Richert**

Director of the  
Center for Disability-Inclusive  
Community Development

[mrichert@ndi-inc.org](mailto:mrichert@ndi-inc.org)