

# **Inclusive Community Development: A Discussion with Bank Regulators September 18, 2019**

**Mark Richert**, Director of the Center for  
Disability-Inclusive Community Development (CDICD)

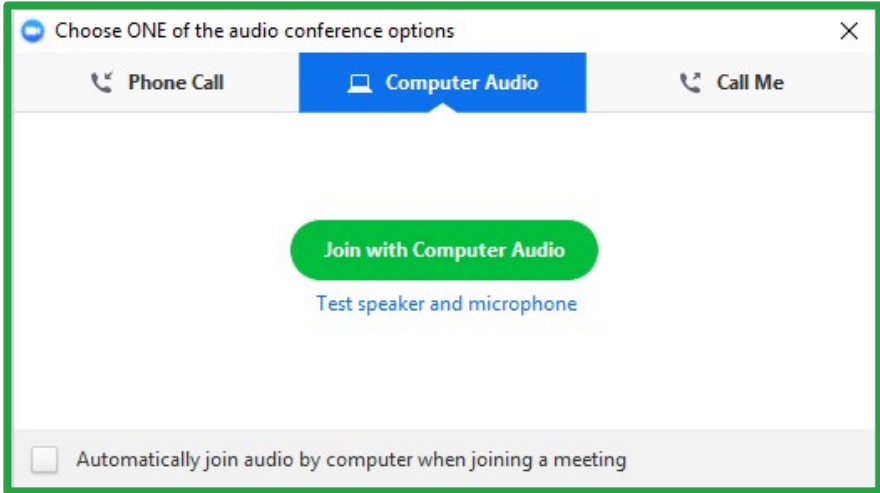
**Michael Morris**, Executive Director

National Disability Institute

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# Panelists

- **Paul Ginger**, Community Affairs Officer, Office of the Comptroller of the Currency (OCC)
- **Jessica Farr**, Manager of Examinations, Federal Reserve Bank of Atlanta

# Panelist Bios: Paul Ginger



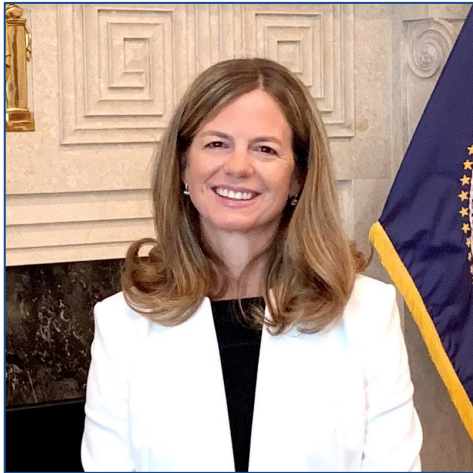
## **District Community Affairs Officer Office of the Comptroller of the Currency**

Paul Ginger is a District Community Affairs Officer with the Office of the Comptroller of the Currency (OCC). He works with national banks and federal savings associations, bank examiners, community development organizations and others to encourage financial institutions to participate in safe, sound community development and reinvestment activities.

He has experience in ...

- Underwriting small business and commercial real estate loans;
- Designing and implementing community development loan programs;
- Helping banks meet their obligations under CRA; and
- Managing a public policy organizing campaign on economic development matters in Chicago's lower-income neighborhoods.

# Panelist Bios: Jessica Farr



## **Subject Matter Expert | Supervision & Regulations Federal Reserve Bank of Atlanta**

Jessica LeVeen Farr is a Subject Matter Expert on the Federal Reserve Bank of Atlanta Community Reinvestment Act (CRA) team. Jessica joined the CRA team in June 2011 is primarily responsible for large bank CRA examinations. She is also currently working with the CRA policy division at the Federal Reserve Board of Governors on CRA modernization initiatives.

She has experience working with banks, nonprofit organizations and government agencies on various community development activities including affordable housing, financial stability, small business, job creation and neighborhood stabilization.

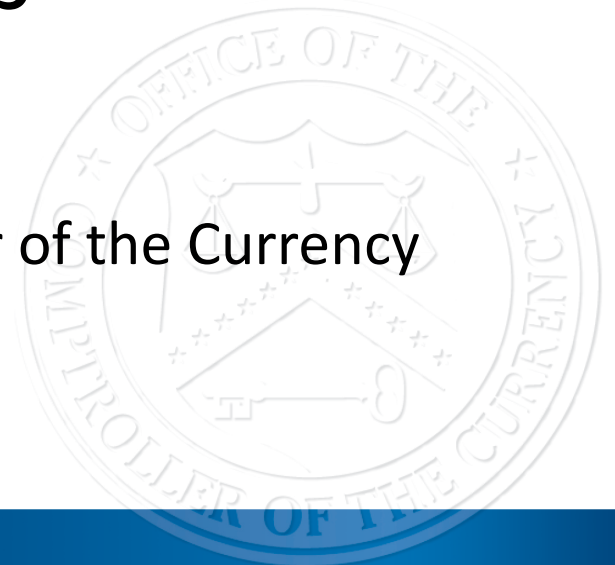
Previously, Jessica was an assistant vice president at Bank of America in Nashville in the Community Development Corporation (CDC), where she oversaw the single family housing development program.



# Banks and Their Communities

**National Disabilities Institute Webinar  
September 18, 2019**

**Paul Ginger, Office of the Comptroller of the Currency**



# What Do Banks Do?

- Gather deposits
- Provide credit to consumers and businesses
- Facilitate payments
- Provide additional, related services

# Developing Bank Partnerships

## Bank Motives for Partnerships:

- Welfare of the community and the bank
- Market Share
- Income and profits
- Risk Mitigation
- Reputation
- Community Reinvestment Act

# Concentric Circles of Opportunity

- Actual, existing market share
- Market share available with extra effort
- Labor intensive, but bankable deals
- Deals bankable if enhanced
- Universe of economic needs



# Steps to Partnerships

- Understand CRA
- Understand the local market
- Understand local banks
- Identify your sources of influence
- Talk with bankers

# CRA Resources

- FFIEC CRA Website

[https://www.ffiec.gov/cra/examinations.htm#EX\\_SCHEDULE](https://www.ffiec.gov/cra/examinations.htm#EX_SCHEDULE)

Exam Schedules, Procedures, Asset Size Thresholds, Link to Q&As

FFIEC CRA Ratings Search: <https://www.ffiec.gov/cra/ratings.htm>

- OCC CRA Webpage

<https://www.occ.gov/topics/compliance-bsa/cra/index-cra.html>

Resources, Procedures, Examination schedule

OCC CRA Ratings Search: <http://apps.occ.gov/crasearch/default.aspx>

- OCC Community Affairs Publications

<https://occ.gov/topics/community-affairs/publications/index-ca-publications.html>

# CRA Resources (continued)

- **What is the Community Reinvestment Act?**  
<https://www.youtube.com/watch?v=rdOpsTLvbeY>
- **The Small and Intermediate Small Bank CRA Examination**  
<https://www.youtube.com/watch?v=qjsjTbGHMIA&list=PLiPo3j0-ZhrzEpXDqg4rnYhzBN-lp7yfR&index=1>
- **Leading Practices for Effective CRA Programs**  
<https://www.youtube.com/watch?v=pxcrYn96Z6w&list=PLiPo3j0-ZhrzEpXDqg4rnYhzBN-lp7yfR&index=2>
- **CRA Community Development Defined**  
<https://www.youtube.com/watch?v=3mE3j8goojY&list=PLiPo3j0-ZhrzEpXDqg4rnYhzBN-lp7yfR&index=3>

# CRA Resources (cont.)

- FDIC Deposit Market Share Reports

What banks are gathering deposits in my community?

<https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>

- FDIC BankFind

Where do those banks have branches? Have they purchased other banks? Much more info too.

<https://research.fdic.gov/bankfind/>



# Contact Information

## Contact Information:

**Paul Ginger**, District Community Affairs Officer,  
Office of the Comptroller of the Currency

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312-360-8876

# CRA Exams: How Do They Work?

Nuts and bolts of examinations from the regulators perspective

**Presented by:**  
**Jessica Farr**



# CRA Exams

Before we go to the bank: what are the first steps?



- Examination scoping
- Review of bank's assessment area(s)
- Develop performance context
- Preliminary review of bank lending and community development activities
- Conduct community contacts
- Review any consumer complaints

# CRA Exams

What do we do when we get to the bank?



- Review banks lending performance
  - Loan-to-deposit ratio
  - Lending inside/outside the assessment area
  - Distribution of loans by geography and borrower income
- Assess bank's community development activities including both quantitative and qualitative aspects of activities
  - consideration of performance in light of needs and opportunities in bank's assessment area(s)
- Review bank's branching and retail services (large banks only)
- Discussions with management regarding CRA strategy and any performance gaps

# CRA Examinations

What are the final steps?



- Present preliminary findings and any identified concerns to management at an exit meeting
- Examiner prepares final performance evaluation (PE); submit for review (process varies by agency)
- Once PE finalized, bank has 30 days to place in public files

# CRA Exams

How can the public engage?



- Review how exam schedules are published; opportunity on agency websites to submit public comments
  - not all comments have to be bad AND comments can be submitted outside the exam process
- CRA Public File
- Community Contacts
- CRA Public Evaluations- Access



# CRA Exams

How else can community stakeholders engage?



- Performance context:
  - Help the banks understand community development and credit needs.
  - What are product needs in the community and where are there gaps?
  - Help banks “tell their story”
- Provide banks with appropriate supporting documentation
  - How do we know it’s a qualified activity?
  - What is the impact of the activity?

## Questions for Panelists (Slide 1 of 4)

1. Please compare and contrast the three regulatory agencies, FDIC, OCC and the Fed. What are the most significant rules and/or practices that are common to all three with respect to bank evaluation? What are the most significant differences, if any, that are of relevance to individuals with disabilities, community groups, advocates, etc.?
2. Walk us through the basic sequence of steps taken to evaluate a bank. How much notice is generally provided to a bank that they will soon be visited by an examiner? How much work is done remotely or in person? What degree of “back and forth” is there between the bank and the examiner prior to the completion of an evaluation? Can banks challenge the conclusions of an evaluation prior to and/or after the evaluation’s completion/publication?
3. Which key elements of a CRA performance evaluation require the most time to assess? Which ones require the most data to be provided by the bank? Which are the most difficult to quantify or assess against objective measures?



## Questions for Panelists (Slide 2 of 4)

4. Can you identify and briefly explain the most important touch points/opportunities for community groups, including individuals and groups of and for people with disabilities, to comment on and influence banks' performance? How much do regulators and examiners really take such community feedback into account?
5. Is there a predictable time line or a particularly strategic point at which comments are most effectively offered? Who exactly are the comments addressed to? What kinds of things have you seen in written comments that you have found particularly compelling?
6. How does the "performance context" affect the evaluation? According to the Boston Fed, "Performance context can include a broad range of economic, demographic, and institution- and community-specific information that an institution and examiners can both use to understand the context in which a bank's performance should be evaluated." We are interested in including the prevalence of disability in the "context." What needs to be done to make that happen?

## Questions for Panelists (Slide 3 of 4)

7. What do banks need to “show” to prove a particular investment should qualify for CRA credit?
8. Is one \$100,000 “better” than another \$100,000 investment? In other words, does the examiner evaluate the impact of the investment beyond its dollar amount? If so, how?
9. Is the CRA part of a larger bank examination or does it occur as a stand-alone evaluation? If it is part of a larger evaluation, what are the other components and how do the different components interact?
10. Can you explain more about the bank evaluation ratings assigned by regulators? If a less than high rating is reported, what opportunities are there to have community groups seek a new level of investment, lending and/or service?

## Questions for Panelists (Slide 4 of 4)

11. Most banks receive a satisfactory rating, over 90%. Given banks are already getting satisfactory ratings for their CRA work, what are the most effective strategies to encourage banks to do more with disability-inclusive community development?
12. If you have an interest in learning more about a bank's CRA activities in your community, what are three things you would do?
13. Do banks and regulators offer training to help community groups understand CRA responsibilities and community engagement?
14. If banks have announced merger plans in your community, how do individuals and/or organizations communicate with the banks and/or regulators about concerns on reduced physical presence and/or 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, former 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 will represent financial institutions of varying size and geographic reach, as well as leaders in the disability community.

# Workgroup Members

## Co-Chairs:

- **Janet Hamer**, Principal, Hamer Consulting, Co-Chair
- **Tom Stokes**, Former Regional Manager Community Affairs Program, Federal Deposit Insurance Corporation (FDIC), Co-Chair

## Advisors:

- **Lex Frieden**, Director, Independent Living Research Utilization (ILRU) Program, TIRR Memorial Hermann
- **Donna Grigsby**, Community Development Manager, TD Bank
- **Charles Hammerman**, President and CEO, Disability Opportunity Fund
- **Dan Hartnett**, Partner, Arnold and Porter
- **Oscar Jimenez-Solomon**, Research Scientist & Research Coordinator, New York State Psychiatric Institute (NYSPI)
- **Kathy Lovell**, Senior Vice President, Disability Services and Outreach Manager, Regions Bank

## Workgroup Members (continued)

### Advisors:

- **Pam Owens**, Senior Vice President, Organizational Development & Capacity Building, Inclusiv
- **Dory Rand**, President, Woodstock
- **Dan Spoons**, President, American Council of the Blind (ACB)
- **Denise Steele**, Community Reinvestment and Community Partnerships Officer, Chase
- **Susan Tachau**, CEO, Pennsylvania Assistive Technology Foundation (PATF)
- **Jasmine Thomas**, Senior Vice President of National Initiatives, Citi Community Development
- **Maria Town**, President and CEO, AAPD

# CDICD October Webinar

## Workforce Development and Meeting Obligations Under CRA

October 16

3-4:30 p.m. ET

- **Steven Shepelwich**, Senior Community Development Advisor, Federal Reserve Bank of Kansas City, Oklahoma City Branch
- **Virgil Miller**, Group CRA Director/Group Compliance, ARVEST Bank Operations, Inc.
- **Sabrina Ware**, Director, Goodwill TulsaWorks and Job Connection

Please keep an eye out for the registration link.

<https://www.nationaldisabilityinstitute.org/events/>

# Thank You!

To learn more about the Center for Disability-Inclusive Community Development, please visit <https://www.nationaldisabilityinstitute.org/disability-inclusive-community-development/>

For more information about the Center, please contact ...

**Mark Richert**

Director of the

Center for Disability-Inclusive

Community Development

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