Community Reinvestment Act (CRA) Consideration in Response to Coronavirus

The three banking regulatory agencies (FDIC, OCC, Federal Reserve) issued a joint statement on March 19, 2020 that “recognizes the potential of the Coronavirus to adversely affect customers and operations of financial institutions.” To encourage financial institutions, the regulators will favorably consider “retail banking services and retail lending activities in a financial institution’s assessment areas that are responsive to the needs of low- and moderate-income (LMI) individuals, small businesses and small farms affected by COVID-19 and that are consistent with safe and sound banking practices.”

The statement provides examples of activities that will receive favorable Community Reinvestment Act (CRA) consideration including:

1. easing terms for new loans to affected low- and moderate-income customers and waiving certain fees such as overdraft fees and late payment fees on credit cards;
2. investments or services that support digital access for low- and moderate-income individuals or communities;
3. loans, investments or services that support access to healthcare particularly for low- and moderate-income individuals or communities;
4. economic development activities that sustain small business operations in low- and moderate-income communities; or
5. investment or service activities that support provision of food supplies and services for low- and moderate-income individuals or communities.

Because the Coronavirus’ significant impact may extend beyond a bank’s assessment areas, favorable CRA consideration will be given to community development activities located in a broader statewide or regional area that includes a bank’s CRA assessment area and that helps “stabilize communities affected by Coronavirus.” This guidance will stay in effect through the “six-month period after the national emergency declaration is lifted.”


Action Steps

The Center for Disability-Inclusive Community Development (CDICD), managed by National Disability Institute (NDI), is available to provide assistance to any financial institution to:

1. identify specific lending and service needs of low- and moderate-income individuals with disabilities in your assessment area;
2. identify collaboration opportunities with community groups to support digital access for low-income individuals with and without disabilities in your assessment areas;
3. identify opportunities that expand financial counseling to low- and moderate-income families in your assessment areas; and
4. identify investment, lending and service activities in your assessment areas that would benefit low- and moderate-income individuals with and without disabilities regarding support of needed:
   - healthcare
   - food supplies and services
   - small business and nonprofit organizations operations
   - other areas of adverse economic impact

To learn more about the importance of CRA investment, lending and service activities meeting the needs of low- and moderate-income individuals with disabilities and their families, please visit nationaldisabilityinstitute.org/disability-inclusive-community-development/.

CRA activities should not overlook the array of needs of people with disabilities representing one of the most vulnerable groups impacted by the Coronavirus health and financial crisis.

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