

## CRA Commitments



September 2007

# **Table of Contents**

Acknowledgements	3
Introduction	4
Calculating the CRA Commitments	10
CRA Commitments by State	11
Provisions of CRA Commitments	18

## Acknowledgments

The National Community Reinvestment Coalition (NCRC) is the nation's trade association for economic justice whose members consist of local community based organizations. Since its inception in 1990, NCRC has spearheaded the economic justice movement. NCRC's mission is to build wealth in traditionally underserved communities and bring low- and moderate-income populations across the country into the financial mainstream. NCRC members have constituents in every state in America, in both rural and urban areas.

We would like to acknowledge Josh Silver, Vice President of Research and Policy, who has updated the *CRA Commitments* a number of times over the years. More importantly, he has been a major participant during the regulatory changes to CRA during the last several years, helping to prevent a significant weakening of the law. A number of research analysts and interns have also participated in updating *CRA Commitments* over the years. We thank Kip Brown who provided valuable support this summer in updating this publication.

The Board of Directors would like to express their appreciation to the NCRC professional staff who contributed to this publication and serve as a resource to all of us in the public and private sector who are committed to responsible lending. For more information, please contact:

John Taylor, President and CEO  
David Berenbaum, Executive Vice President  
Joshua Silver, Vice President, Policy and Research

© 2007 by the National Community Reinvestment Coalition

*Reproduction of this document is permitted and encouraged, with credit given to the National Community Reinvestment Coalition.*

## INTRODUCTION

The Community Reinvestment Act (CRA) has encouraged an extraordinary level of collaboration between community groups and banks across the country. One form of collaboration is known as a CRA agreement. A CRA agreement is a pledge signed by a community organization(s) and a bank outlining a multi-year program of lending, investments, and/or services. While the bank provides the loans and investments specified in the agreement, the community group frequently assists the bank in assuring the success of CRA-related products and services (community groups sometimes help in marketing or provide financial counseling and other services). **Since the passage of CRA in 1977, lenders and community organizations have signed over 446 CRA agreements totaling more than \$4.5 trillion in reinvestment dollars flowing to minority and lower income neighborhoods.**

Lenders and community groups will often sign these agreements when a lender has submitted an application to merge with another institution or expand its services. Lenders must seek the approval of federal regulators for their plans to merge or change their services. The four federal financial institution regulatory agencies will scrutinize the CRA records of lenders and will assess the likely future community reinvestment performance of lenders. The application process, therefore, provides an incentive for lenders to sign CRA agreements with community groups that will improve their CRA performance. Recognizing the important role of collaboration between lenders and community groups, the federal agencies have established mechanisms in their application procedures that encourage dialogue and cooperation among the parties in preserving and strengthening community reinvestment.<sup>1</sup>

A CRA agreement is often a comprehensive document that covers a wide range of loans, investments, and bank services. This publication first provides a detailed list, by state and year, of the number of CRA agreements, and lists the banks and community groups signing the agreements. It then covers, in depth, the innovative affordable housing, small business, and other products contained in CRA agreements.

---

<sup>1</sup> The Federal Reserve Board will grant an extension of the public comment period during its merger application process upon a joint request by a bank and community group. In its commentary to Regulation Y, the Board indicates that this procedure was added to facilitate discussions between banks and community groups regarding programs that help serve the convenience and needs of the community. In its Corporate Manual, the Office of the Comptroller of the Currency states that it will not offer the expedited application process to a lender that does not intend to honor a CRA agreement made by the institution that it is acquiring.

## **MORE THAN \$4.5 TRILLION IN REINVESTMENT SINCE 1977**

From 1977 through the first part of 2007, lenders and community organizations have negotiated and lenders have committed over \$4.56 trillion in reinvestment dollars. As the chart below shows, \$4.5 trillion in CRA dollars was committed from 1992 through 2007. In contrast, \$8.8 billion was negotiated from 1977 through 1991.

NCRC hastens to add that the huge dollar volumes connected with agreements do not mean that bank mergers result in increased lending and investments for low- and moderate-income communities. In fact, lending and investing in low- and moderate-income communities have declined in a number of cases when solid agreements with community groups were not negotiated. NCRC hopes that the innovative agreement provisions below will help banks and community groups increase lending and investing to underserved communities in future years.

Two major factors contribute to the incredible burst of commitments since 1992. First of all, NCRC members and other community organizations are becoming increasingly sophisticated in terms of being able to articulate community needs as well as providing homeownership counseling and other types of services in partnerships with banks. There has been a strong growth in community organizations in the last few years. NCRC started off with a membership of 16 groups in 1992 and now has over 600 member organizations -- all of who either use CRA in their daily work or at least believe it is important to preserve and improve the law.

The second major factor spurring the growth of CRA agreements is the structural evolution in the banking industry. As banks become regional and national in scope, they understand that it is important to maintain their local community lending and investing capacity. Large banks and thrifts make multi-state agreements with networks of community groups that tailor the lending and investing to fit local needs. NCRC encourages lending institutions to work closely with community groups so that multi-state agreements include sub-totals by state which address credit and capital needs of major metropolitan areas as well as rural communities.

A significant trend has been the increase of large voluntary pledges by banks starting in the late 1990's and continuing today. In the late 1980's and the first part of the 1990's, banks and community groups often negotiated and then signed CRA agreements. More recently, as banks became large, national level lenders, they increasingly announced unilateral pledges in tens or hundreds of billions of dollars that covered lending and investing in several states. Some of these unilateral pledges have detailed subtotals by state, product type, and income and race of communities served, but many if not most of these unilateral pledges lack this detail. Thus, it is becoming more difficult for community groups and the general public to monitor the agreements, verify that lenders are meeting the target dollar amounts, or confirm that the agreements are benefiting minorities and lower income consumers and communities. If unilateral agreements continue as the norm, NCRC member organizations will work harder, pressing lenders to provide more specifics and details.

The rise of unilateral agreements also accounts for the fluctuation in dollar amounts on an annual level. For example, 1998 was a year of mega-mergers that included the Bank of America and Nations Bank merger as well as Citigroup's acquisition of Travelers; CRA pledges totaled \$812 billion dollars as a result. The following years saw fewer mega - mergers and considerably less reinvestment dollars. CRA pledges shot up again in 2003 and particularly in 2004. The year 2004 experienced watershed mega - mergers as Bank of America acquired Fleet, JP Morgan Chase acquired Bank One, and Citizens gobbled up Charter One. However, CRA pledges slowed significantly in the last few years. It is NCRC's hope that reinvestment annual dollar amounts follow less of a "peak and trough" in future years. During years with less merger activity, NCRC member organizations will seek partnerships with banks and other mechanisms to ensure a more even flow of reinvestment financing to minority and low-and moderate-income communities.

In addition, NCRC and its member organizations will continue to work with lending institutions to secure reforms and updates to best practices and programs. In this era of subprime lending, NCRC members will seek to ensure that lending institutions have rigorous fair lending compliance controls and institute effective "referral up" programs so that abuse or discriminatory lending is not occurring. Moreover, agreements to establish prime or near prime products are critical for promoting healthy produce choice in minority and working class neighborhoods. Foreclosure prevention counseling and loss mitigation efforts are also vital areas for CRA agreements.

On the small business side, CRA commitments should include programs for lending to minority, women and immigrant populations without established credit histories. Branch building initiatives must also be included as a means to increasing small business lending and providing alternatives to payday and other high cost consumer lending.<sup>2</sup>

In sum, NCRC will work with its member organizations to work for innovative agreements on programs and products in addition to multi-billion dollar pledges. Reforming programs and loan products will ensure that bank lending remains safe and sound while responding to emerging credit needs in working class and minority communities.

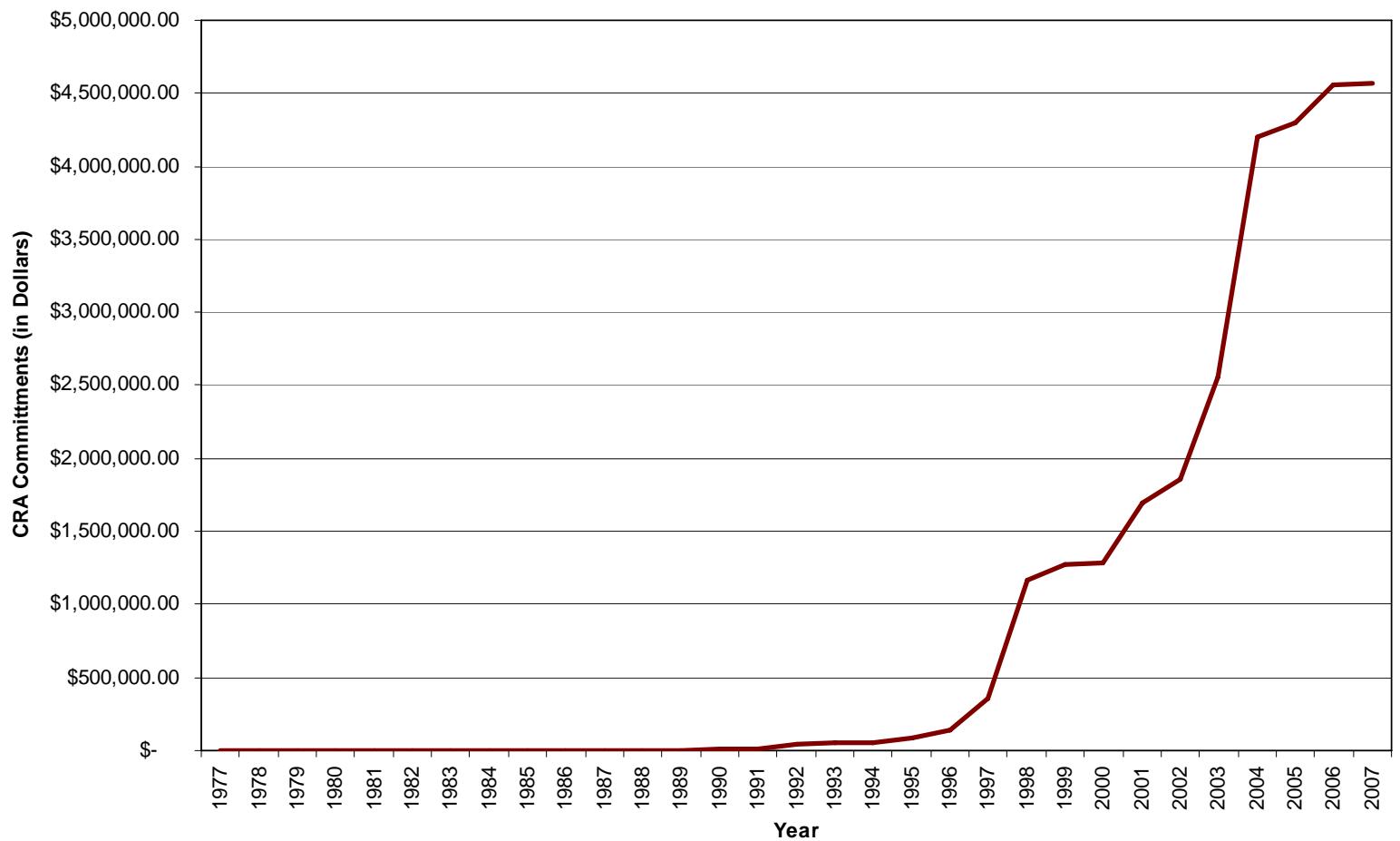
---

<sup>2</sup> See NCRC's report on small business lending in Appalachia which reveals that increases in bank branching increase small business lending.

## CRA DOLLAR COMMITMENTS (IN MILLIONS)

<b>Year</b>	<b>Annual Dollars</b>	<b>Total Dollars</b>
2007	\$12,500	\$4,566,480
2006	\$258,000	\$4,553,980
2005	\$100,276	\$4,295,980
2004	\$1,631,140	\$4,195,704
2003	\$711,669	\$2,564,564
2002	\$152,859	\$1,852,895
2001	\$414,184	\$1,700,036
2000	\$13,681	\$1,285,852
1999	\$103,036	\$1,272,171
1998	\$812,160	\$1,169,135
1997	\$221,345	\$356,975
1996	\$49,678	\$135,630
1995	\$26,590	\$85,952
1994	\$6,128	\$59,362
1993	\$10,716	\$53,234
1992	\$33,708	\$42,518
1991	\$2,433	\$8,811
1990	\$1,614	\$6,378
1989	\$2,260	\$4,764
1988	\$1,248	\$2,504
1987	\$357	\$1,256
1986	\$516	\$899
1985	\$73	\$382
1984	\$219	\$309
1983	\$1	\$90
1982	\$6	\$89
1981	\$5	\$83
1980	\$13	\$78
1979	\$15	\$65
1978	\$0	\$50
1977	\$50	\$50

### Total CRA Commitments



## HOW THE CRA COMMITMENTS WERE CALCULATED

The table on the next page shows the CRA dollar commitments organized by state. The dollar commitments calculated on the table are based on two types of CRA lending agreements: 1) agreements negotiated between community organizations/state and local governments and lenders during the merger application process; 2) voluntary CRA programs or commitments unilaterally announced by a lender.

Of the first type of agreement, the list is fairly comprehensive as it is based on substantial amount of research conducted by NCRC. The list of voluntary lending plans is more limited, based on a search of newspapers in major cities (since 1989), CRA trade publications, community and consumer newsletters, and NCRC files. The voluntary agreements tend to focus on the commitments by the largest banks such as Bank of America.

The dollar amounts are based on *commitments* for community development lending, not the amount of lending that actually occurred. In some cases the actual lending amount may exceed the dollar targets, in other cases the dollar target may not have been met. In addition, many commitments are multi-year commitments that extend beyond 2007. Thus, it is important to remember that there is a substantial amount of CRA-related lending and investing that falls outside of the agreements documented in this study.

The table displaying CRA commitments by state has the following columns reading from left to right: state, city, community, lender, date, type, and total dollars (in millions). The "type" column has two different codes: AG (which stands for an agreement signed between lenders and community groups) and VLA (which stands for a voluntary lending pledge made by a lender. In many cases, these pledges are made during the merger application process).

NCRC did not include all CRA agreements required to be submitted per CRA sunshine requirements. Many CRA sunshine agreements are for relatively small amounts in the thousands of dollars. In an earlier report, NCRC reported on the characteristics of CRA sunshine agreements negotiated in 2000 and 2001. The focus of this report is on larger commitments of \$1 million or more.

## CRA Dollar Commitments Since 1977: By State

STATE	CITY	COMMUNITY	LENDER	DATE	TYPE	TOTAL DOLLARS (millions)
AZ	Phoenix	ACORN, Arizona	Chase Manhattan Corporation	1986	AG	\$2.0
AZ	Tucson	Primavera Builders	Western S&L & Merabank FSB	1988	AG	\$100.0
AZ	Arizona	Greenlining Coalition	Independent Bancorp of Arizona, Inc.	1993	AG	\$175.0
<b>AZ Total</b>						<b>\$277.0</b>
CA	Oakland	Committee for Community Reinvestment in Oakland	Northern California S&L	1980	AG	\$7.0
CA	California	California Reinvestment Committee	Wells Fargo Bank	1986	AG	\$41.0
CA	California	California Reinvestment Committee, ACORN, et. al.	California First Bank (CalFirst)	1988	AG	\$84.0
CA	California	Voluntary	California Community Reinvestment Corporation	1989	VLA	\$100.0
CA	California	California Reinvestment Committee	Bank of America	1992	AG	\$100.0
CA	California	Greenlining Coalition	First Interstate Bank of California	1993	AG	\$2,000.0
CA	California	Greenlining Coalition	Sumitomo Bank of California	1993	AG	\$600.0
CA	California	Voluntary	Well Fargo	1993	VLA	\$5,000.0
CA	California	Greenlining Coalition	Comerica Bank	1994	AG	"10% of assets"
CA	California	Voluntary	First Interstate	1994	VLA	\$2,000.0
CA	California	California Reinvestment Committee	First Interstate Bank	1994	AG	\$272.0
CA	California	California Reinvestment Committee, Greenlining Coalition	Bank of CA & Union Bank	1995	AG	"4.5% of assets"
CA	California	California Reinvestment Committee	First Nationwide Bank, FSB	1996	AG	\$14.2
CA	California	California Reinvestment Committee	Guaranty Federal Bank, FSB	1997	AG	\$27.5
CA	California	California Reinvestment Committee	U.S. Bancorp	1997	AG	\$283.0
CA	California	Voluntary, but with input by CRC, Greenlining, San Diego RTF	Union Bank of California, NA	1997	VLA	"4.5% of assets"
CA	California	California Reinvestment Committee, Greenlining Institute	California Federal Bank	1998	AG	\$25,100.0
CA	San Diego	San Diego City-County Reinvestment Task Force	Home Savings of America, re-affirmed by WAMU	1998	AG	\$2,000.0
CA	California	California Reinvestment Committee, Greenlining Institute	Home Savings of America	1998	AG	\$35,000.0
CA	California	California Reinvestment Committee, Greenlining Institute	Wells Fargo	1998	AG	\$15,000.0
CA	California	California Reinvestment Coalition	Bank of America	1999	AG	\$70,000.0
CA	California	California Reinvestment Committee	U.S. Bancorp	2000	AG	12 to 17% of CA deposits
CA	California	Greenlining Institute	Merrill Lynch	2000	AG	\$159.0
CA	statewide	California Reinvestment Coalition	Comerica Bank, California	2002	AG	\$1,800.0
CA	California	Greenlining Institute & California Reinvestment Coalition	Union Bank of California	2005	AG	6.5% of assets
CA	California	Greenlining Institute & California Reinvestment Coalition	Wachovia	2006	AG	\$150,000.0
CA	California	Greenlining Institute	East West Bancorp	2007	AG	\$11,500.0
<b>CA Total</b>						<b>\$321,087.7</b>
CO	Denver	Metropolitan Organizations for People	Colorado National Banks	1990	AG	\$0.0
CO	Denver	Metropolitan Organizations for People	United Banks of Denver	1991	AG	\$80.2
CO	Denver	Denver Community Reinvestment Alliance	Central Banks	1992	AG	\$55.0
CO	Denver	Denver Community Reinvestment Alliance/City and County of Denver	Century	1994	VLA	\$4.0
CO	Denver	Denver Community Reinvestment Alliance/City and County of Denver	Colorado National	1994	VLA	\$155.0
CO	Denver	Denver Community Reinvestment Alliance/City and County of Denver	First Interstate	1994	VLA	\$32.0
CO	Denver	Denver Community Reinvestment Alliance/City and County of Denver	Norwest	1994	VLA	\$124.0
<b>CO Total</b>						<b>\$450.2</b>
CT	Hartford	Hartford Areas Rally Together	Connecticut National Bank	1984	AG	\$13.0
CT	New Britain	Citizens in Action in New Britain	New Britain National Bank	1985	AG	\$1.0
CT	Hartford	Citizens Research Education Network	United Bank and Trust	1986	AG	\$3.5
CT	Hartford	Hartford Areas Rally Together	Bank of Boston CT	1990	AG	\$2.0
CT	Hartford	Hartford Areas Rally Together	Fleet Bank	1990	AG	\$1.0
CT	Hartford	Hartford Areas Rally Together	Mechanic Savings	1990	AG	\$1.0
CT	Hartford	Hartford Areas Rally Together	Shawmut	1990	AG	\$4.0
CT	Hartford	Hartford Areas Rally Together	Avest	1992	AG	\$2.0
CT	Hartford	Hartford Areas Rally Together	Northeast Savings	1992	AG	\$1.0
CT	Hartford	Hartford Areas Rally Together	Peoples Bank	1992	AG	\$1.0
CT	Hartford	State Treasurer	FleetBoston	1999	AG	CT specifics for pledge <b>\$29.5</b>
<b>CT Total</b>						
DC	Washington	D.C. Reinvestment Alliance	United Virginia Bankshares	1985	AG	\$10.0
DC	Washington	Coalition for Responsible Investment	Riggs National Bank	1987	AG	\$40.0
DC	Washington	DC Reinvestment Alliance & DC Council	First Union	1993	AG	\$200.0
DC	Washington	DC Council	NationsBank	1993	AG	\$400.0
DC	Washington	Voluntary	Columbia First Bank, FSB	1994	VLA	\$6.0
DC	Washington	DC Reinvestment Alliance & DC Office of Banking	First Union	1997	AG	\$3,000.0
DC	Washington	Voluntary, but submitted to DC Bureau of Financial Institutions	BB&T	1998	VLA	\$372.0
DC	Washington	Voluntary	PNC Financial Services Group Inc.	2005	VLA	\$1,150.0
<b>DC Total</b>						<b>\$5,178.0</b>
DE	Delaware	Delaware Community Reinvestment Action Council, et. al.	Meridan Bankcorp/ Delaware Trust Co.	1987	AG	\$60.0
DE	Philadelphia-Delaware	Delaware Community Reinvestment Action Council, et. al.	Meridan Bancorp & Delaware Trust Co.	1988	AG	\$60.0
DE	Delaware	Delaware Community Reinvestment Action Council	Bank of Delaware/PNC Financial	1989	AG	\$50.0
DE	Delaware	Delaware Community Reinvestment Action Council	Wilmington Savings Fund Society	1989	AG	\$19.0
DE	Delaware	Delaware Community Reinvestment Action Council	Wilmington Savings Fund Society	1996	AG	\$24.0
<b>DE Total</b>						<b>\$213.0</b>
FL	Florida	Legal Services, Florida	Citizens and Southern Georgia Corporation	1985	AG	\$0.0
FL	Florida	Legal Services, Florida	First Union of Florida	1985	AG	\$0.0
FL	Florida	Legal Services, Florida	North Carolina National Bank of Florida	1985	AG	\$0.0
FL	Florida	Legal Services, Florida	Barnett Banks of Florida	1986	AG	\$50.0
FL	Palm Beach County	Legal Services, Florida	Southeast Banking Corporation	1986	AG	\$7.5
FL	Florida	Legal Services, Florida	Southeast Banking Corporation	1988	AG	\$25.0
FL	Florida	Farmworker Association of Central Florida, et. al.	First Union Corp.	1989	AG	\$48.0
FL	FL,GA	Voluntary	Barnett Bank	1992	VLA	\$2,000.0
FL	Statewide	Florida Minority Community Reinvestment Coalition	SunTrust Bank	2005	AG	\$24,000.0

## CRA Dollar Commitments Since 1977: By State

STATE	CITY	COMMUNITY	LENDER	DATE	TYPE	TOTAL DOLLARS (millions)
<b>FL Total</b>						<b>\$26,130.5</b>
GA	Atlanta	Voluntary	Atlanta Mortgage Consortium	1989	VLA	\$20.0
GA	GA, FL	Voluntary	Barnett Bank	1992	VLA	(see FL)
GA	Atlanta	Voluntary	Atlanta Mortgage Consortium	1994	VLA	\$71.5
<b>GA Total</b>						<b>\$91.5</b>
IA	Des Moines	Iowa Citizens for Community Improvement.	Banks of Iowa	1987	AG	\$0.0
IA	Waterloo/Cedar Falls	Iowa Citizens for Community Improvement	Cedar Falls Trust & Savings Bank	1987	AG	\$0.5
IA	Council Bluffs	Iowa Citizens for Community Improvement.	Council Bluffs Savings Bank	1987	AG	\$7.5
IA	Davenport	United Neighbors (Citizens for Community Improvement)	First Bank	1987	AG	\$0.5
IA	Dubuque	Iowa Citizens for Community Improvement.	Key City Bank	1987	AG	\$0.6
IA	Des Moines	ACORN, Des Moines	Norwest Bank	1987	AG	\$2.0
IA	Des Moines	Iowa Citizens for Community Improvement.	Valley National Bank	1987	AG	\$2.6
IA	Des Moines	Iowa Citizens for Community Improvement.	Bankers Trust Company, Des Moines	1988	AG	\$5.0
IA	Des Moines	Iowa Citizens for Community Improvement.	First Interstate Bank	1989	AG	\$3.0
IA	Des Moines	Iowa Citizens for Community Improvement.	First Interstate Bank of Des Moines, Urbandale	1989	AG	\$3.0
IA	Iowa	Iowa Citizens for Community Improvement.	Norwest Banks of Iowa	1989	AG	\$18.0
IA	Des Moines	Iowa Citizens for Community Improvement.	Valley National Bank	1989	AG	\$4.2
IA	Des Moines	Iowa Citizens for Community Improvement.	Bankers Trust, Des Moines	1990	AG	\$5.0
IA	Iowa	Iowa Citizens for Community Improvement	Banks of Iowa	1990	AG	\$11.0
IA	Des Moines	ACORN, Des Moines	Midland Savings Bank, FSB	1990	AG	\$0.7
IA	Iowa	Iowa Citizens for Community Improvement	Norwest Banks of Iowa	1990	AG	\$18.0
<b>IA Total</b>						<b>\$81.6</b>
IL	Chicago	Northeast Austin Organization & Northwest Austin Council	Austin Federal S&L	1980	AG	\$6.0
IL	Chicago	Chicago Reinvestment Alliance	First National Bank of Chicago	1984	AG	\$120.0
IL	Chicago	Chicago Reinvestment Alliance	Harris Bankcorp	1984	AG	\$35.0
IL	Chicago	Rogers Park Housing Coalition	North Shore National Bank	1984	AG	\$3.0
IL	Chicago	Chicago Reinvestment Alliance	Northern Trust	1984	AG	\$18.0
IL	Chicago	Rogers Park Housing Coalition, et. al.	Devon Bank	1985	AG	\$0.4
IL	Chicago	Organization of the Northeast (ONE)	Community Bank of Edgewater	1986	AG	\$10.0
IL	Chicago	Chicago Reinvestment Alliance	Continental Bank, NA	1986	AG	\$20.0
IL	Chicago	Chicago Roseland Coalition for Community Control	Beverly Bank	1987	AG	\$20.0
IL	Chicago	Austin Reinvestment Alliance	Greater Chicago Financial Corporation & Austin Bank	1987	AG	\$0.1
IL	Evanston	Evanston Neighborhood Conference	State National Bank, NBD	1987	AG	\$1.5
IL	Chicago	Southside Community Development Coalition	INDECORP, INC. (Drexel National Bank)	1988	AG	\$7.0
IL	Chicago	Northwest Neighborhood Federation	Northwest National Bank & LaSalle National Corp.	1988	AG	\$10.0
IL	Chicago	Organization of the Northeast (ONE)	First Chicago Bank of Ravenswood	1990	AG	\$2.0
IL	Chicago	ACORN	Avondale FSB	1992	AG	\$1.0
IL	Waukegan	Voluntary	First Midwest Bank	1992	VLA	\$2.0
IL	Austin-Garfield	Garfield-Austin Interfaith Action Network	Avenue Bank of Oak Park	1993	AG	\$40.0
IL	Chicago	Latin United Community Housing Association	Banco Popular	1993	VLA	\$5.0
IL	Chicago	Leadership Council for Metropolitan Open Communities	First Colonial Bankshares Corporation	1993	AG	\$0.0
IL	Chicago	Voluntary	Bank of America/Continental	1994	VLA	\$1,000.0
IL	Chicago	Woodstock Institute & CANDO	First Chicago & NBD Bancorp of Detroit	1995	AG	\$2,000.0
IL	Chicago	Voluntary	The First National Bank of Chicago	1995	VLA	\$2,000.0
IL	Chicago	Latin United Community Housing Association	LaSalle Bank, FSB	1993	VLA	\$5.0
IL	Chicago	Chicago CRA Coalition, Woodstock Institute, NTIC	First Chicago	1998	AG	\$6,700.0
IL	Chicago	Chicago CRA Coalition, Woodstock Institute	Old Kent Bank	1999	AG	equalize market shares
IL	Chicago	Chicago CRA Coalition, Woodstock Institute	Charter One Bank, F.S.B.	1999	AG	market share agreement
IL	Chicago	Voluntary, upon DOJ lawsuit	MidAmerica Bank	2003	VLA	\$3,000.0
IL	Chicago	Chicago CRA Coalition	Charter One Bank	2003	AG	\$9.7
IL	Chicago	Chicago CRA Coalition	JPMorgan Chase & Bank One	2004	AG	---
<b>IL Total</b>						<b>\$15,015.7</b>
IN	Indianapolis	Indianapolis Reinvestment Alliance	Bank One Indianapolis, NA	1987	AG	\$6.0
IN	Gary	Northwest Indiana Open Housing Center	Bank One, Merrillville, NA	1987	AG	\$26.0
IN	Gary	Northwest Indiana Open Housing Center	Bank One, Merrillville, NA	1989	AG	\$1.0
IN	Gary	Northwest Indiana Open Housing Center & United Citizens Org.	First National Bank of East Chicago	1989	AG	\$0.0
IN	Gary	Northwest Indiana Community Reinvestment Alliance	Mercantile National Bank of Indiana	1989	AG	\$11.1
IN	Gary	Northwest Indiana Community Reinvestment Alliance	Gainer Bank, NA	1990	AG	\$85.1
IN	Gary-Hammond	Northwest Indiana Community Reinvestment Alliance	Citizens Federal S&L	1991	AG	\$15.0
IN	South Bend	CA\$H PLUS	NBD Bank and Mortgage CO.	1992	AG	\$0.5
IN	South Bend	CA\$H PLUS	Society Corp.	1993	AG	\$0.8
<b>IN Total</b>						<b>\$145.5</b>
KS	Kansas City	Key Coalition	Stadium Bank	1986	AG	\$1.0
<b>KS Total</b>						<b>\$1.0</b>
KY	Louisville	Legal Aid Society, Louisville, et. al	Citizens Fidelity Corp.	1986	AG	\$0.0
KY	Lexington	Community Reinvestment Alliance of Lexington	First Security National Bank	1987	AG	\$20.0
KY	Lexington	Community Reinvestment Alliance of Lexington	Commerce National Bank	1988	AG	\$0.0
KY	Louisville	Kentuckians for the Commonwealth	Cumberland FSB	1988	AG	\$0.0
KY	Louisville	Kentuckians for the Commonwealth	First Kentucky National Corp. & First National Bank, Louisville	1988	AG	\$0.0
KY	Lexington	Community Reinvestment Alliance of Lexington	Central Bank and Trust	1990	AG	\$28.2
<b>KY Total</b>						<b>\$48.2</b>
LA	Baton Rouge	ACORN, Louisiana	Louisiana Bancshares	1986	AG	\$15.0
LA	New Orleans	Voluntary	First National Bank of Commerce	1992	VLA	\$30.0
<b>LA Total</b>						<b>\$45.0</b>
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	New England Merchants National Bank	1980	AG	\$0.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Suffolk Franklin Savings Bank	1981	AG	\$0.0

## CRA Dollar Commitments Since 1977: By State

STATE	CITY	COMMUNITY	LENDER	DATE	TYPE	TOTAL DOLLARS (millions)
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Capital Bank and Trust Company	1982	AG	\$0.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Patriot Bancorporation	1982	AG	\$0.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Union Warren Savings Bank	1982	AG	\$6.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Bank of New England	1983	AG	\$0.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Cambridge Trust Company	1984	AG	\$0.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Coolidge Bank and Trust Company	1984	AG	\$0.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Danvers Savings Bank	1984	AG	\$21.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Fleet National Bank of Boston	1984	AG	\$0.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Workingmens Cooperative Bank	1984	AG	\$3.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Capitol Bank and Trust Company	1986	AG	\$30.0
MA	Boston	Massachusetts Urban Reinvestment Advisory Group	Patriot Bank	1986	AG	\$60.0
MA	Somerville	Somerville Community Corporation	Somerset Savings Bank	1987	AG	\$25.0
MA	Greenfield	Franklin County Community Development Corporation	Heritage-NS Bank for Savings	1988	AG	\$0.0
MA	Boston	Massachusetts Affordable Housing Alliance	Bank of Boston	1990	AG	\$8.0
MA	Boston	Massachusetts Affordable Housing Alliance	BayBank	1990	AG	\$5.0
MA	Boston	Massachusetts Affordable Housing Alliance	Citizens Bank	1990	AG	\$5.0
MA	Boston	Massachusetts Affordable Housing Alliance	Fleet	1990	AG	\$12.0
MA	Boston	Consortium of Boston Area Community Groups	Massachusetts Bankers Association	1990	AG	\$1,000.0
MA	Boston	Massachusetts Affordable Housing Alliance	Mellon/Boston Company	1990	AG	\$10.0
MA	Boston	Massachusetts Affordable Housing Alliance	Shawmut Bank	1990	AG	\$17.0
MA	Boston	Massachusetts Affordable Housing Alliance	US Trust	1990	AG	\$2.0
MA	Boston	Voluntary	Boston Safe Deposit and Trust	1992	VLA	\$35.0
MA	Boston	Voluntary	Bank of Boston	1993	VLA	\$150.0
MA	Boston	Massachusetts Affordable Housing Alliance	Shawmut	1993	VLA	\$50.0
MA	Boston	UNAC	Bank of Boston	1994	AG	\$17.0
MA	Boston	Massachusetts Affordable Housing Alliance	BayBank	1994	AG	\$15.0
MA	Boston	Massachusetts Affordable Housing Alliance	Citizens Bank	1994	AG	\$5.0
MA	Boston	Massachusetts Affordable Housing Alliance	Fleet	1994	AG	\$15.0
MA	Boston	Massachusetts Affordable Housing Alliance	Shawmut	1994	AG	\$25.0
MA	Boston	Massachusetts Affordable Housing Alliance	The Boston Company	1994	AG	\$15.0
MA	Boston	Massachusetts Affordable Housing Alliance	US Trust	1994	AG	\$1.0
MA	Boston	Mellon Bank	Voluntary	1994	VLA	\$10.0
MA	Boston	Massachusetts Affordable Housing Alliance	Eight banks	1999	AG	\$270.0
MA	Boston	Massachusetts Association of Community Development Corps.	Citizens Bank	1999	AG	\$148.0
MA	Boston	MAHA, MACDC, ONE, CHAPA	FleetBoston	1999	AG	
MA	Massachusetts	MACDC, MAHA	Sovereign Bank New England	2000	AG	\$1,300.0
MA	Statewide	Community Advisory Committee to Sovereign Bank	Sovereign Bank	2004	AG	\$3,600.0
MA	<b>Total</b>					<b>\$6,935.0</b>
MD	Baltimore	Maryland Alliance for Responsible Investments	Maryland National Bank	1986	AG	\$80.0
MD	Baltimore	Maryland Alliance for Responsible Investment	Bank of Baltimore	1987	AG	\$15.0
MD	Baltimore	Maryland Alliance for Responsible Investment	Bank of Baltimore	1989	AG	\$2.0
MD	Baltimore	Maryland Alliance for Responsible Investment	First Fidelity Bank	1995	AG	\$40.0
MD	Baltimore	Maryland Center for Community Development	First Union National Bank	1998	AG	\$45.0
MD	<b>Total</b>					<b>\$182.0</b>
MI	Detroit	Detroit Committee for Responsible Investment	Comerica Bank	1988	AG	\$281.8
MI	Detroit	Ad Hoc Coalition for Fair Banking Practices in Detroit	First of America Bank - Southeast Michigan, NA	1988	AG	\$69.0
MI	Detroit	Ad Hoc Coalition for Fair Banking Practices in Detroit	Manufacturers National Bank of Detroit	1988	AG	\$270.0
MI	Detroit	Ad Hoc Coalition for Fair Banking Practices in Detroit	Michigan National Bank	1988	AG	\$128.0
MI	Detroit	Ad Hoc Coalition for Fair Banking Practices in Detroit	First Federal of Michigan	1989	AG	\$61.0
MI	Detroit	Ad Hoc Coalition for Fair Banking Practices in Detroit	National Bank of Detroit (NBD)	1989	AG	\$1,500.0
MI	Detroit	Flint Coalition for Fair Banking Practices	NBD Genesee Bank	1989	AG	\$0.0
MI	Flint	Ad Hoc Coalition for Fair Banking Practices in Detroit	Standard Federal Bank	1989	AG	\$48.0
MI	Flint	Flint Coalition for Fair Banking Practices	D&N Savings Bank	1990	AG	\$0.0
MI	Grand Rapids	Coalition for Community Reinvestment	Manufacturers National Bank	1990	AG	\$0.6
MI	Grand Rapids	Coalition for Community Reinvestment	Michigan National Bank	1990	AG	\$8.5
MI	Benton Harbor	Neighborhood Information and Sharing Exchange	Old Kent Bank -- Southwest	1990	AG	\$2.5
MI	Grand Rapids	Coalition for Community Reinvestment	Primebank and First of America Corporation	1990	AG	\$0.0
MI	Grand Rapids	Voluntary	Old Kent Bank and Trust Co.	1992	VLA	\$10.0
MI	Detroit	Alliance for Fair Banking	Michigan National Bank	1995	AG	\$785.0
MI	Detroit	Alliance For Fair Banking Practices/NAACP	NBD Bank	1995	AG	\$656.0
MI	Detroit	Detroit Alliance for Fair Banking	NBD Bank	1998	AG	\$3,000.0
MI	Detroit	Detroit Alliance for Fair Banking	Michigan National Bank	1999	AG	\$918.1
MI	Detroit	Detroit Alliance for Fair Banking	Comerica Bank	2000	AG	\$4,200.0 or 15% of assets
MI	Detroit	Detroit Alliance for Fair Banking	First Federal of Michigan	2000	AG	\$212.0
MI	Detroit	Detroit Alliance for Fair Banking	Standard Federal Bank	2002	AG	\$1,055.0
MI	Detroit	Detroit Alliance for Fair Banking and other community groups	Bank One	2003	AG	\$3,100.0
MI	<b>Total</b>					<b>\$16,305.5</b>
MN	Duluth	Duluth Reinvestment Coalition	First Bank Duluth, NA	1986	AG	\$20.0
MN	Minneapolis/St. Paul	Minneapolis Consortium of Non-Profit Developers, et. al.	First Bank System	1988	AG	\$94.5
MN	Minneapolis/St. Paul	Joint Ministries Project & ACORN, Minnesota	Twin Cities Federal Bank, FSB	1991	AG	\$65.0
MN	Minneapolis	Voluntary	First Bank of Minneapolis	1993	VLA	\$2.5
MN	<b>Total</b>					<b>\$182.0</b>
MO	Missouri	ACORN, Missouri	Boatmen's National Bank of St. Louis	1985	AG	\$50.0
MO	St. Louis	ACORN, Missouri	Landmark Bank	1986	AG	\$6.5
MO	St. Louis	ACORN, Missouri	Missouri State Bank	1986	AG	\$0.4

## CRA Dollar Commitments Since 1977: By State

STATE	CITY	COMMUNITY	LENDER	DATE	TYPE	TOTAL DOLLARS (millions)
MO	St. Louis	ACORN, Missouri	Southside National Bank	1986	AG	\$0.7
MO	St. Louis	ACORN	Magna Bancorp	1991	VLA	\$15.0
<b>MO Total</b>						<b>\$72.6</b>
MT	Great Falls	Montana People's Action	First Interstate Bank	1987	AG	\$6.0
MT	Billings	Montana People's Action	First Bank Billings	1988	AG	\$4.0
MT	Missoula	Montana People's Action	First Banks of Missoula	1990	AG	\$5.0
MT	Billings	Montana People's Action	First Interstate Bank of Billings	1990	AG	\$15.5
MT	Missoula	Montana People's Action	First Interstate Bank of Missoula	1990	AG	\$4.0
MT	Northern Cheyenne Reservation	Native Action, Northern Cheyenne Area Chamber of Commerce, et. al.	First Interstate Banksystem	1992	AG	\$4.0
<b>MT Total</b>						<b>\$38.5</b>
Multi-State	National	Voluntary	Bank America	1992	VLA	\$12,000.0
Multi-State	National	Voluntary	Fleet	1992	VLA	\$8,000.0
Multi-State	National	Voluntary	NationsBank	1992	VLA	\$10,000.0
Multi-State	NY, NJ, TX	Voluntary	Chemical Bank	1993	VLA	\$1,000.0
Multi-State	National	Voluntary	Chase Manhattan	1995	VLA	\$18,000.0
Multi-State	National (West coast focus)	Calif. Reinvest. Committee, Greenlining Institute	Wells Fargo	1996	AG	\$45,000.0
Multi-State	National, but half in CA	Voluntary	Bank of America	1997	VLA	\$140,000.0
Multi-State	National	Voluntary, but acknowledged by the OTS	Travelers Group, Inc.	1997	AG	\$430.0
Multi-State	National	CRC, Greenlining Inst., Wash. Reinvest. Alliance	Washington Mutual	1997	AG	\$75,000.0
Multi-State	National	Voluntary	Citicorp-Travelers	1998	AG	\$115,000.0
Multi-State	CA, NV	Calif. Reinvest. Committee, Greenlining Institute	Citigroup	1998	VLA	\$115,000.0
Multi-State	NJ, PA, DE	NJCA, Phila. Assoc. of CDCs, PA Low Inc Hous. Coalition	First Union	1998	AG	\$13,000.0
Multi-State	DE, NY, IL	ICP-Community on the Move, DCRAC	Household International	1998	AG	\$3,000.0
Multi-State	National	Voluntary	NationsBank	1998	VLA	\$350,000.0
Multi-State	OH, KY, IN	OCRP, COHHIO	Star Banc Corporation	1998	AG	\$5,150.0
Multi-State	National (West Coast focus)	CRC, Greenlining, WRA	Washington Mutual	1998	AG	\$120,000.0
Multi-State	OH, MI, NY mostly but others	Inner City Press/Community on the Move	Charter One Financial, Inc.	1998	AG	\$1,000.0
Multi-State	National (starts in IL, MO, AZ)	Voluntary, but submitted to OTS	State Farm Insurance Companies	1998	VLA	\$195.0
Multi-State	MA, CT, RI, NH, ME, NJ, FL	Voluntary	Fleet Financial Group & BankBoston	1999	VLA	\$14,600.0
Multi-State	FL, AL, TN	Voluntary	AmSouth Bancorporation	1999	VLA	\$3,500.0
Multi-State	OH, KY, IN, AZ, FL	Voluntary	Fifth Third Bancorp	1999	VLA	\$9,000.0
Multi-State	NJ, NY, CT, PA	Voluntary	DimeBank	1999	VLA	\$2,500.0
Multi-State	National	Voluntary, submitted to OTS on corporate application	GMAC Bank	2000	VLA	\$6,000.0
Multi-State	VA, NC, SC, GA, FL	Voluntary, upon merger	First Union/Wachovia	2001	VLA	\$35,000.0
Multi-State	National	Voluntary, upon merger	Washington Mutual/DimeCorp	2001	VLA	\$375,000.0
Multi-State	CA, OR, WA, ID, NV, NM	Voluntary, upon merger	Bank of the West	2002	VLA	\$30,000.0
Multi-State	CA, NV	Voluntary, upon merger	Citibank	2002	VLA	\$120,000.0
Multi-State	National	Voluntary	CitMortgage: mortgage company of Citigroup	2003	VLA	\$200,000.0
Multi-State	National	Voluntary	Chase Home Finance (mortgage division of JPMorgan Chase)	2003	VLA	\$500,000.0
Multi-State	National	Neighborhood Assistance Corporation of America	Citigroup	2003	AG	\$3,000.0
Multi-State	AL, FL, GA, MS, NC, SC, TN, TX, VA	Voluntary, upon merger	Wachovia/SouthTrust	2004	VLA	\$75,000.0
Multi-State	National	Voluntary, upon merger	Bank of America	2004	VLA	\$750,000.0
Multi-State	National	Voluntary, upon merger	JPMorgan Chase & Bank One	2004	VLA	\$800,000.0
Multi-State	National	California Reinvestment Coalition	Bank of the West	2005	AG	\$75,000.0
Multi-State	National	Voluntary, upon merger	Regions & AmSouth	2006	VLA	\$100,000.0
<b>Multi-State Total</b>						<b>\$4,130,375.0</b>
NC	North Carolina	Legal Services, North Carolina	First Union of North Carolina	1985	AG	\$0.0
NC	North Carolina	Legal Services, North Carolina	Branch Banking and Trust Company	1987	AG	\$0.0
NC	North Carolina	Legal Services, North Carolina	First Wachovia Corporation	1987	AG	\$0.0
NC	North Carolina	Legal Services, North Carolina	North Carolina National Bank (NCNB)	1987	AG	\$0.0
NC	Rocky Mount	Legal Services, North Carolina	Peoples Bank and Trust Company	1987	AG	\$0.0
NC	Raleigh	Community Reinvestment Association of North Carolina	Centura Bank	1990	AG	\$0.1
NC	Raleigh	Community Reinvestment Association of North Carolina	First Citizens Bank and Trust Company	1991	AG	\$26.1
NC	Charlotte	Charlotte Organizing Project	First Union	1991	AG	\$10.0
NC	North Carolina	Voluntary	Wachovia	1992	VLA	\$20.0
NC	Raleigh	Community Reinvestment Association of North Carolina	BB&T and Southern National	1995	AG	\$340.0
NC	Raleigh	Community Reinvestment Association of North Carolina	First Union National Bank of North Carolina	1996	AG	\$500.0
NC	Raleigh & statewide	Community Reinvestment Association of North Carolina	First Union National Bank	1999	AG	\$1,000.0
<b>NC Total</b>						<b>\$1,896.2</b>
NJ	Philadelphia/NJ	Pennsylvania/New Jersey Initiative Coalition	Midatlantic National Bank	1986	AG	\$11.0
NJ	New Jersey	New Jersey Fair Banking Initiative Coalition	First Fidelity Bancorporation	1987	AG	\$28.0
NJ	Philadelphia/NJ	Pennsylvania/New Jersey Initiative Coalition	First Jersey National Corporation	1987	AG	\$23.6
NJ	New Jersey	New Jersey Fair Banking Initiative Coalition	Carteret Savings Bank, FA	1988	AG	\$55.5
NJ	New Jersey	New Jersey Fair Banking Initiative Coalition	Chemical Banking Corporation and Manufacturers Hanover Corp.	1991	AG	\$72.5
NJ	New Jersey	New Jersey Citizen Action	New Jersey Savings Bank	1992	AG	\$3.0
NJ	New Jersey	Trenton Reinvestment Coalition	Sovereign Bank FSB	1992	AG	\$7.1
NJ	New Jersey	New Jersey Citizen Action	UJB Financial Corp	1992	AG	\$45.0
NJ	New Jersey	New Jersey Citizen Action	Bank of New York	1993	AG	\$160.0
NJ	New Jersey	New Jersey Citizen Action	Coresstates, New Jersey National	1993	AG	\$24.1
NJ	New Jersey	New Jersey Citizen Action	First Fidelity Bank	1993	AG	\$59.0
NJ	New Jersey	New Jersey Citizen Action	Meridian Bank	1993	AG	\$13.5
NJ	Philadelphia/NJ	Voluntary	Midatlantic/Continental Bank	1993	VLA	\$200.0
NJ	New Jersey	New Jersey Citizen Action	NatWest NJ	1993	AG	\$42.5
NJ	New Jersey	New Jersey Citizen Action	Sovereign Bank, FSB	1993	AG	\$29.5
NJ	New Jersey	New Jersey Citizen Action	Hudson United Bank	1994	AG	\$72.0
NJ	New Jersey	Voluntary	New Jersey Savings Bank	1994	VLA	\$7.0

## CRA Dollar Commitments Since 1977: By State

STATE	CITY	COMMUNITY	LENDER	DATE	TYPE	TOTAL DOLLARS (millions)
NJ	New Jersey	New Jersey Citizen Action	Summit Bank	1994	AG	\$29.8
NJ	New Jersey	New Jersey Citizen Action	Valley National	1994	AG	\$28.2
NJ	New Jersey	New Jersey Citizen Action	Commerce	1995	AG	\$33.5
NJ	New Jersey	New Jersey Citizen Action	Dime Savings	1995	AG	\$36.2
NJ	New Jersey	New Jersey Citizen Action	First Union	1995	AG	\$319.4
NJ	New Jersey	New Jersey Citizen Action	Mellon PSFS-NA	1995	AG	\$12.8
NJ	New Jersey	New Jersey Citizen Action	NatWest Bank	1995	AG	\$151.2
NJ	New Jersey	New Jersey Citizen Action	NorCrown Savings	1995	AG	\$0.8
NJ	New Jersey	New Jersey Citizen Action	PNC	1995	AG	\$190.0
NJ	New Jersey	New Jersey Citizen Action	Rahway Savings	1995	AG	\$3.6
NJ	New Jersey	New Jersey Citizen Action	Trenton Savings	1995	AG	\$9.6
NJ	New Jersey	New Jersey Citizen Action	United National	1995	AG	\$5.6
NJ	New Jersey	New Jersey Citizen Action	Fleet Bank N.A.	1996	AG	\$502.5
NJ	New Jersey	New Jersey Citizen Action	Sovereign Bank	1996	AG	\$75.6
NJ	New Jersey	New Jersey Citizen Action	Summit Bank	1996	AG	\$237.3
NJ	New Jersey	New Jersey Citizen Action	Hudson United Bank	1997	AG	\$75.0
NJ	New Jersey	New Jersey Citizen Action	Security National Bank	1997	AG	\$3.0
NJ	New Jersey	New Jersey Citizen Action	Broad National Bank	1998	AG	\$20.6
NJ	New Jersey	New Jersey Citizen Action & Affordable Housing Network	Bank of New York	1999	AG	\$260.0
NJ	New Jersey	New Jersey Citizen Action & Affordable Housing Network	Sovereign	1999	AG	\$174.0
NJ	New Jersey	New Jersey Citizen Action & Affordable Housing Network	Rahway Savings Institution	1999	AG	\$6.7
NJ	New Jersey	New Jersey Citizen Action	Fleet National Bank	2000	AG	\$1,200.0
NJ	Statewide	New Jersey Citizen Action, Housing & Community Development Network	Sovereign Bank	2003	AG	\$300.0
NJ	Statewide	New Jersey Citizen Action, Housing & Community Development Network	PNC Bank	2004	AG	\$883.0
NJ	Statewide	New Jersey Citizen Action, Housing & Community Development Network	Roselle Savings Bank	2004	AG	\$5.6
NJ	Statewide	New Jersey Citizen Action, Housing & Community Development Network	Sun National Bank	2004	AG	\$38.4
NJ	Statewide	New Jersey Citizen Action, Housing & Community Development Network	Provident Bank	2005	AG	\$125.6
NJ	New Jersey	New Jersey Citizen Action	Wachovia	2006	AG	\$8,000.0
NJ	New Jersey	New Jersey Citizen Action & Housing & Community Development Network	PNC	2007	AG	\$1,000.0
<b>NJ Total</b>						<b>\$14,581.1</b>
NM	Albuquerque	C.R.E.D.I.T	First National Bank of Albuquerque	1993	AG	\$1.5
NM	Albuquerque	C.R.E.D.I.T	United New Mexico Bank	1993	AG	\$250.0
<b>NM Total</b>						<b>\$251.5</b>
NV	Las Vegas	Southern Nevada Reinvestment and Affordable Housing Committee	Bank of America	1992	AG	\$316.0
NV	Las Vegas	Southern Nevada Reinvestment and Affordable Housing Committee	First Security Bank	1993	AG	\$0.3
NV	Las Vegas	Southern Nevada Reinvestment and Accountable Banking Committee	AMFED	1994	AG	\$21.0
<b>NV Total</b>						<b>\$337.3</b>
NY	New York City	Greenpoint-Williamsburgh Committee on Redlining	Anchor Savings Bank	1977	AG	\$25.0
NY	New York City	Bank on Brooklyn	Greater New York Savings Bank	1977	AG	\$25.0
NY	Syracuse	Syracuse United Neighbors	Key Bank	1987	AG	\$5.5
NY	New York State	Voluntary	Chase Manhattan	1989	VLA	\$200.0
NY	New York City	Community Coalition for Fair Banking of East Harlem	Banco de Ponce	1990	AG	\$15.0
NY	New York City	East Harlem Coalition for Fair Banking	Banco de Ponce	1990	AG	\$15.0
NY	New York State	Voluntary	Keycorp	1991	VLA	\$100.0
NY	New York City	Voluntary	Manufacturers Hanover	1991	VLA	\$250.0
NY	New York City	East Harlem Coalition for Fair Banking	Bank of New York	1992	AG	\$10.0
NY	Syracuse	Syracuse Community Reinvestment Coalition	ONBANCORP	1992	AG	\$5.0
NY	Binghamton	Broome County CRA Coalition	Binghamton Savings	1994	AG	\$28.5
NY	New York City	Inner City Press/Community on the Move	Dime-Anchor	1994	AG	\$20.0
NY	New York City	Inner City Press/Community on the Move	First Fidelity Bancorp	1994	AG	\$15.0
NY	Binghamton	Broome County CRA Coalition	Manufacturers and Traders Trust Company	1994	AG	\$17.7
NY	New York City	Inner City Press/Community on the Move	Marine Midland	1994	AG	\$15.0
NY	New York City	Inner City Press/Community on the Move	Natwest	1994	AG	\$5.0
NY	New York City	Inner City Press/Community on the Move	Republic	1994	AG	\$15.0
NY	Norwich	Voluntary	The National Bank and Trust Company	1994	VLA	\$40.0
NY	New York City	ACORN	Bank of New York	1995	AG	\$760.0
NY	New York City	ACORN	NatWest	1995	VLA	\$7.0
NY	New York City	Cypress Hills LDC	Anchor Savings Bank	1996	AG	\$1.0
NY	New York City	Cypress Hills LDC	East New York Savings	1996	AG	\$0.7
NY	New York City	Inner City Press/Community on the Move	Astoria Federal Savings and Loan Association	1997	AG	\$25.0
NY	Rochester	Greater Rochester Community Reinvestment Coalition	Charter One Bank, FSB	1997	AG	\$1.2
NY	Albany	SENSES	Evergreen Bank	1998	AG	\$5.0
NY	New York metropolitan area	Inner City Press/Community on the Move	Sound Federal Bancorp	2000	AG	\$10.0
NY	New York City	Assoc. for Neighborhood & Housing Development, Inc	HSBC/Household	2003	AG	\$1,000.0
<b>NY Total</b>						<b>\$2,616.6</b>
OH	Cleveland	City of Cleveland	First Federal S&L of Cleveland	1979	AG	\$15.0
OH	Toledo	Greater Toledo Housing Coalition	Ohio Citizens Trust	1980	AG	\$0.0
OH	Cleveland	Union-Miles Community Coalition	Society National Bank of Cleveland	1980	AG	\$0.0
OH	Toledo	Fair Housing Center of Toledo	Huntington National Bank & Huntington Mortgage	1986	AG	\$0.0
OH	Cincinnati	Communities United for Action	Central Trust Company, NA	1989	AG	\$56.2
OH	Akron	Fair Housing Contract Services, et. al.	First Federal S&L of Akron	1989	AG	\$8.4
OH	Cleveland	Stockyard Area Development Association	First Federal Savings Bank	1989	AG	\$0.0
OH	Cincinnati	Communities United for Action	Provident Bank	1989	AG	\$22.5
OH	Toledo	Fair Housing Center of Toledo	Society Bancorporation	1989	AG	\$0.0
OH	Youngstown	Coalition for Community Reinvestment	Society National Bank	1989	AG	\$2.5
OH	Youngstown	Coalition for Community Reinvestment	Dollar Savings and Trust Company (Ohio Bancorp)	1990	AG	\$5.0

## CRA Dollar Commitments Since 1977: By State

STATE	CITY	COMMUNITY	LENDER	DATE	TYPE	TOTAL DOLLARS (millions)
OH	Cincinnati	Communities United for Action	Fifth Third Bank of Cincinnati	1990	AG	\$13.2
OH	Cleveland	City of Cleveland	Society National Bank	1991	AG	\$267.0
OH	Cleveland	City of Cleveland	National City Bank	1992	AG	\$125.0
OH	Dayton	Dayton Community Reinvestment Committee	Citizens Federal Bank, FSB	1992	AG	\$50.0
OH	Dayton	Dayton Community Reinvestment Committee	First National Bank	1993	AG	\$6.5
OH	Cleveland	City of Cleveland	Bank One, Cleveland	1993	AG	\$66.0
OH	Cleveland	City of Cleveland	Fifth Third Bank	1993	AG	\$98.0
OH	Cleveland	City of Cleveland	Huntington National Bank	1993	AG	\$105.0
OH	Dayton	Dayton Community Reinvestment Committee	Huntington National Bank	1993	AG	\$1.2
OH	Dayton	Dayton Community Reinvestment Committee	Provident Bank	1993	AG	\$7.0
OH	Cleveland	City of Cleveland	Fifth Third Bank	1994	AG	\$17.8
OH	Cleveland	City of Cleveland	First National Bank of Ohio	1994	AG	\$71.0
OH	Cleveland	City of Cleveland	Star Bank, N.A.	1994	AG	\$182.2
OH	Cleveland	City of Cleveland	Charter One Bank	1995	AG	\$69.0
OH	Cleveland	City of Cleveland	Huntington National Bank	1995	AG	\$19.0
OH	Cleveland	City of Cleveland	Society National Bank	1996	AG	\$322.5
OH	Columbus	COHHIO	Charter One Bank, FSB	1997	AG	\$19.3
OH	Cleveland	City of Cleveland	National City Bank	1998	AG	\$540.0
OH	Cleveland	City of Cleveland	Bank One	1998	AG	\$350.0
OH	Columbus	COHHIO	Fifth Third	1998	AG	\$1,250.0
OH	Lorain County	Coalition for Reinvestment in Lorain County	FirstMerit Corp.	1998	AG	\$432.0
OH	Cleveland	City of Cleveland	Huntington National Bank	1999	AG	\$143.0
OH	Cleveland	City of Cleveland	Fifth Third	1999	AG	\$170.5
OH	Cleveland	City of Cleveland	Firststar	1999	AG	\$346.0
OH	Cleveland	City of Cleveland	KeyBank NA	2000	AG	\$400.0
OH	Cleveland	City of Cleveland	FirstMerit Bank, Cleveland	2000	AG	\$200.0
OH	Cleveland	Voluntary Renewal of Commitment with City of Cleveland	Charter One	2001	VLA	\$170.0
OH	Cleveland	City of Cleveland	Metropolitan Bank & Trust (Sky Bank)	2001	AG	\$52.5
OH	Cleveland	City of Cleveland	Bank One	2001	AG	\$350.0
OH	Ohio	Coalition for Homelessness and Housing In Ohio	Charter One	2002	AG	---
OH	Cleveland	City of Cleveland	Huntington National Bank	2003	AG	\$230.0
OH	Cleveland	City of Cleveland	First Merit	2004	AG	\$252.5
OH	Cleveland	City of Cleveland	Fifth Third	2004	AG	\$305.4
OH	Cleveland	City of Cleveland	U.S. Bank(Firstar)	2004	AG	\$345.6
OH	Cleveland	City of Cleveland	KeyBank	2004	AG	\$460.0
<b>OH Total</b>						<b>\$7,546.8</b>
OR	Oregon	Community Reinvestment Coalition of Oregon	U.S. Bancorp	1997	AG	\$1,413.5
<b>OR Total</b>						<b>\$1,413.5</b>
PA	Harrisburg	Harrisburg Fair Housing Council & SURE	Dauphin Deposit Bank and Trust	1981	AG	\$5.0
PA	Philadelphia	Philadelphia Council of Neighborhood Organizations	Fidelcor	1983	AG	\$0.0
PA	Harrisburg	Harrisburg Fair Housing Council & SURE	Dauphin Deposit Bank and Trust	1984	AG	\$6.0
PA	Philadelphia	ACORN, Philadelphia	Continental Bank	1986	AG	\$0.0
PA	Harrisburg	Harrisburg Fair Housing Council & SURE	Dauphin Deposit Bank and Trust	1986	AG	\$9.0
PA	Philadelphia	ACORN, Philadelphia	Fidelcor	1986	AG	\$0.0
PA	Philadelphia	Eastern North Philadelphia Initiative Coalition	Fidelcor	1986	AG	\$0.0
PA	Philadelphia/NJ	Pennsylvania/New Jersey Initiative Coalition	Midatlantic National Bank	1986	AG	(see NJ)
PA	Philadelphia/NJ	Pennsylvania/New Jersey Initiative Coalition	First Jersey National Corporation	1987	AG	(see NJ)
PA	Philadelphia-Delaware	Delaware Community Reinvestment Action Council, et. al.	Meridan Bancorp & Delaware Trust Co.	1988	AG	(see DE)
PA	Harrisburg	Harrisburg Fair Housing Council & SURE	Dauphin Deposit Bank and Trust	1989	AG	\$9.0
PA	Pittsburgh	Pittsburgh Community Reinvestment Group	Mellon Bank	1989	AG	\$4.0
PA	Philadelphia	Bucks County CRA Coalition, et. al.	Meridian Bancorp	1989	AG	\$33.8
PA	Pittsburgh	Pittsburgh Community Reinvestment Group	Pittsburgh National Bank	1989	AG	\$1.8
PA	Bucks County	Bucks County CRA Coalition	Bucks County B&T, Fidelity, Continental, Mellon East, et. al.	1990	AG	\$0.0
PA	Pittsburgh	Pittsburgh Community Reinvestment Group	Equibank	1990	AG	\$50.0
PA	Pittsburgh	Pittsburgh Community Reinvestment Group	Union National Bank	1990	AG	\$248.2
PA	Philadelphia	Voluntary	Provident National Bank	1992	VLA	\$25.0
PA	Philadelphia/NJ	Voluntary	Midatlantic/Continental Bank	1993	VLA	(see NJ)
PA	Pittsburgh	Pittsburgh Community Reinvestment Group	Integra Bank/Pittsburgh	1994	AG	\$1,700.0
PA	Pittsburgh	Pittsburgh Community Reinvestment Group	Integra-National City	1995	AG	\$267.0
PA	Pittsburgh	Pittsburgh Community Reinvestment Group	Citizens Bank	2002	AG	\$4.2
PA	Philadelphia	City of Philadelphia	Citizens Bank	2004	AG	\$250.0
<b>PA Total</b>						<b>\$2,612.9</b>
RI	Providence	South Providence Revitalization Committee	Bank of New England - Old Colony	1985	AG	\$2.0
RI	Providence	South Providence Revitalization Committee	Fleet National Bank	1985	AG	\$8.6
RI	Providence	Providence Human Relations Commission, et. al.	Fleet Financial Group, Inc.	1986	AG	\$50.0
RI	Providence	South Providence Revitalization Committee	Peoples Bank, FSB & Peoples Trust Co.	1986	AG	\$0.8
<b>RI Total</b>						<b>\$61.4</b>
TN	Memphis	Shelby County Community Reinvestment Coalition	Leader Federal S&L	1985	AG	\$0.0
TN	Memphis	Shelby County Community Reinvestment Coalition	First Tennessee National Corporation	1986	AG	\$4.5
TN	Memphis	Shelby County Community Reinvestment Coalition	Union Planters National Bank	1987	AG	\$7.0
TN	Tennessee	Mid-Tennessee CRA Coalition	Sovran Bank	1988	AG	\$43.0
TN	Memphis	Shelby County Community Reinvestment Coalition	Union Planters National Bank	1988	AG	\$11.0
TN	Memphis	Shelby County Community Reinvestment Coalition	Union Planters National Bank	1989	AG	\$14.0
TN	Memphis	Shelby County Community Reinvestment Coalition	Union Planters National Bank	1990	AG	\$14.0
<b>TN Total</b>						<b>\$93.5</b>
TX	San Antonio	San Antonio Reinvestment Alliance	National Bank of Commerce	1986	AG	\$5.0

## CRA Dollar Commitments Since 1977: By State

STATE	CITY	COMMUNITY	LENDER	DATE	TYPE	TOTAL DOLLARS (millions)
TX	Dallas	ACORN, Texas	Texas Commerce Bancshares	1986	AG	\$7.5
TX	San Antonio	San Antonio Reinvestment Alliance	RepublicBank	1987	AG	\$5.0
TX	Dallas	South Dallas/Fair Park Inner City Dev. Corp.	RepublicBank Corporation	1987	AG	\$25.0
TX	San Antonio	San Antonio Reinvestment Alliance	Texas Commerce Bank - San Antonio	1987	AG	\$5.0
TX	Houston, Dallas, others in TX	Voluntary	Texas Commerce Bank	1996	VLA	\$3,000.0
<b>TX Total</b>						<b>\$3,047.5</b>
VA	Richmond	Richmond United Neighborhoods	Sovran Bank, NA	1983	AG	\$1.0
<b>VA Total</b>						<b>\$1.0</b>
WA	Seattle	Washington Reinvestment Alliance	Seafirst Bank	1991	AG	\$1,500.0
WA	Seattle	Washington Reinvestment Alliance	Key Bank of Washington	1992	AG	\$832.5
WA	Seattle	Washington Reinvestment Alliance	US Bank of Washington	1995	AG	\$852.6
WA	Washington	Voluntary	Washington Community Reinvestment Association (Consortium)	1995	VLA	\$32.0
WA	Washington	Washington Reinvestment Alliance	U.S. Bancorp	1997	AG	\$1,067.9
WA	Washington	Washington Reinvestment Alliance	KeyBank	2003	AG	\$1,029.0
<b>WA Total</b>						<b>\$5,314.0</b>
WI	Milwaukee	Cooperation West Side Association	FirstMil Bank	1985	AG	\$1.3
WI	Milwaukee	Harambee Housing Project	Marine Corporation	1986	AG	\$6.0
WI	Milwaukee	Milwaukee Community Reinvestment Coalition	Marine Corporation	1986	AG	\$25.0
WI	Milwaukee	Milwaukee Community Reinvestment Coalition	Marshall and Isley Bank	1986	AG	\$50.0
WI	Milwaukee	Milwaukee Community Reinvestment Coalition	Bank One Corporation	1987	AG	\$25.0
WI	Milwaukee	NAACP, Milwaukee United for Better Housing et. al.	First Financial Bank, FSB	1989	AG	\$20.0
WI	Milwaukee	Fair Lending Coalition	Equitable Bank, SSB	1991	AG	\$7.0
WI	Milwaukee	Cooperation West Side Association	Norwest Bank Wisconsin	1991	AG	\$25.0
WI	Milwaukee	Fair Lending Coalition	Associated Commerce Bank	1992	AG	\$9.0
WI	Milwaukee	Fair Lending Coalition	KK Federal	1992	AG	\$3.5
WI	Milwaukee	Fair Lending Coalition	Valley bank	1992	AG	\$15.0
WI	Milwaukee	Fair Lending Coalition	Guaranty Bank, SSB	1993	AG	\$15.0
WI	Milwaukee	Fair Lending Coalition	St. Francis Bank, FSB	1993	AG	\$8.2
<b>WI Total</b>						<b>\$210.0</b>
<i>Total (3 VLA's from 2001 Sunshine Report are included)</i>						<i>\$4,562,868.2</i>
<i>Agreements from 2001 Sunshine report</i>						<i>\$3,611.63</i>
<b>Grand Total</b>						<b>\$4,566,479.87</b>

## **PROVISIONS OF CRA COMMITMENTS**

This section is designed to assist lenders and community leaders in identifying the range of credit, capital, investment, and servicing needs that can be included in a CRA commitment. Below, are an overview and actual examples of CRA commitments that better illustrate the range of programs and products that have been negotiated between community organizations -- or local governments -- and lenders. These examples are organized according to seven subject areas:

1. Housing;
2. Business and Economic Development;
3. Consumer Loans;
4. Farm Loans;
5. Building Community Capacity;
6. Banking Services, Branch and Staff Policies;
7. Needs Assessment, Marketing and Outreach; and Accountability to the Community.

Each of these subject areas contain a number of elements as detailed below. Community groups and lenders can use the following list as a guide of the types lending, investment, and service provisions that have been in CRA agreements.

## **SUBJECT AREAS FOR CRA COMMITMENTS**

### **1. HOUSING**

#### Specific Loan Targets

- ◊ Single-Family
- ◊ Multifamily
- ◊ Nonprofit and Minority Housing Developers
- ◊ Housing Cooperatives, Land Trusts, and Mobile Homes/Manufactured Housing
- ◊ Multi-Use Real Estate
- ◊ Target Populations

#### Loan Terms and Conditions

- ◊ Low Interest Loans
- ◊ Loan Size
- ◊ Waive or Reduce Closing Costs
- ◊ Downpayments and Mortgage Insurance
- ◊ Sweat Equity
- ◊ Nonrecourse
- ◊ Distress

#### **Underwriting Standards**

- ◊ Credit History
- ◊ Employment
- ◊ Income Source
- ◊ Obligation Ratios
- ◊ Property Appraisal

#### **Participation in Public Programs/Loan Pools and Consortiums**

- ◊ Federal Housing Administration and Veterans Administration Programs
- ◊ Federal Home Loan Bank Programs
- ◊ Housing Finance Agency Bonds
- ◊ Low-Income Housing Tax Credits
- ◊ Public/Private Loan Pools and Consortiums

#### **Other Forms of Housing Support**

- ◊ Loan Counseling and Technical Support
- ◊ Loan Review
- ◊ Lending Discrimination Testing
- ◊ Foreclosed Properties

### **2. BUSINESS AND ECONOMIC DEVELOPMENT**

#### **Specific Loan Targets**

- ◊ Small Business
- ◊ Minority- and Women-Owned Businesses
- ◊ Micro Business
- ◊ Economic Development Projects

#### **Participation in Public Programs/Loan Pools and Consortiums**

- ◊ Small Business Administration Loans
- ◊ Public/Private Loan Pools and Consortiums

#### **Other Forms of Business Support**

- ◊ Loan Review
- ◊ Counseling and Technical Assistance
- ◊ Minority Vending

### **3. CONSUMER LOANS**

### **4. FARM LOANS**

### **5. BUILDING COMMUNITY CAPACITY**

Community Development Credit Unions

Community Development Loan Funds

Loans and Credit Lines to Community Development Corporations

## Grants to Community-Based Organizations

### **6. BANKING SERVICES, BRANCH AND STAFF POLICIES**

#### Banking Services

- ◊ Offer Basic or Lifeline Checking
- ◊ Individual Development Accounts
- ◊ Cash Government Checks

#### Branch Policies

- ◊ Extended Office Hours
- ◊ Review of Branch Closings
- ◊ Bank Facility Improvements
- ◊ Branch Openings

#### Bank Staff and Structure

- ◊ Hiring Policies
- ◊ Train Bank Staff
- ◊ Bilingual Initiatives
- ◊ Diversify Board

### **7. NEEDS ASSESSMENT, MARKETING AND OUTREACH, AND ACCOUNTABILITY TO THE COMMUNITY**

#### Credit Needs Assessment

#### Marketing and Outreach

- ◊ Advertising
- ◊ Call Programs
- ◊ Seminars and Training
- ◊ Marketing Through Community Groups
- ◊ Create New CRA Position
- ◊ Create a Special Unit

#### Accountability and Community Participation

- ◊ Review Board
- ◊ Reports and Disclosure

## **HOUSING**

#### **Specific Loan Targets**

Many CRA commitments include commitments by lenders to target a specific dollar or volume amount for housing loans to low- and moderate-income and minority neighborhoods. Usually, the commitments target a specific type of housing.

**Single-Family:** Single-family housing loans, for purchase or for home improvement, are the most frequently targeted form of housing in CRA commitments:

- ◊ Wachovia, in its 2006 agreement with New Jersey Citizen Action and the Housing and Community Development Network of New Jersey, pledged \$2 billion toward mortgages for low-to-moderate income families
- ◊ Regions and AmSouth banks, in their 2006 CRA voluntary commitment, pledged \$40 billion in mortgages to low-to-moderate income families and families in low-to-moderate income neighborhoods.
- ◊ In its 2005 renewal of a previous CRA commitment to the California Reinvestment Coalition, the Bank of the West pledged 10.3 billion dollars for both single-family and multifamily loans for low-to-moderate income borrowers and borrowers in low-to-moderate income census tracts.
- ◊ In its 2006 agreement with the Greenlining Institute and the California Reinvestment Coalition, Wachovia Bank pledged \$70 billion in loans to low and moderate income communities for single-family housing. These loans have higher debt-to-equity ratios than the usual conventional loans, flexible credit history requirements, low down payment requirements (with 15 million dollar commitment to down payment assistance) and no closing costs.
- ◊ During Wachovia's plan to merge with SouthTrust in 2004, Wachovia included a lending goal of \$15 billion in mortgages to low-to moderate-income borrowers and neighborhoods in seven different states. These states include: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia. The bank will offer innovative mortgage products that are designed for applicants with impaired credit, that do not require Private Mortgage Insurance, have competitive interest rates and terms, have flexible underwriting standards, have up to 100% financing, and have low or no down payment.
- ◊ In its 2000 agreement with the Detroit Alliance for Fair Banking, First Federal of Michigan committed to increase its mortgage lending within the City of Detroit to \$105 million during the next three years.

- ◊ In its agreement with the Massachusetts Association of Community Development Corporations, Citizens Bank pledged to make \$10 million in affordable home mortgage loans to new immigrants over a five year time period starting in 1999. Fannie Mae will purchase the loans. CRA agreements should, where possible, include commitments by secondary market institutions to purchase loans so that the banks can obtain more capital for making additional CRA loans.
- ◊ In the wake of its takeover of H.F. Ahmanson's Home Savings of America, Washington Mutual signed a \$120 billion CRA agreement with the California Reinvestment Committee (CRC), the Greenlining Institute, the Washington Reinvestment Alliance, and other community groups. More than \$80 billion of the ten-year commitment will be for single family lending to minorities and borrowers in low- and moderate-income census tracts. Low- and moderate-income borrowers (under 80 percent of median family income) will receive \$30 billion of the loans.
- ◊ In 1998, Inner City Press/Community on the Move secured a promise from Charter One to offer \$1 billion over the next three years in "prime" interest rate loans. Charter One has a subprime subsidiary called Equity One. A goal in agreements is to establish a higher lending target for the bank than the subprime subsidiary, especially for loans to working class and minority borrowers. This may stem the practice of steering minorities towards higher interest rate, subprime loans since the bank has a higher loan target (in dollars and numbers) than its subprime subsidiary.
- ◊ In 1998, Star Bank NA signed a \$5.15 billion commitment with the Ohio Community Reinvestment Project and the Coalition on Homelessness and Housing in Ohio. Star agreed to increase its single family lending in low- and moderate-income census tracts by 40 percent over three years. Denied applications will be subject to a second review in order to increase lending in targeted areas.
- ◊ Led by the Woodstock Institute and CANDO, the Chicago CRA Coalition of over 100 organizations signed a pioneering CRA agreement with First Chicago NBD in the summer of 1998. First Chicago will make 35,879 affordable single-family home loans by the end of 2004. In each year, the bank's share of the market in low- and moderate-income areas will equal or exceed its share of the market in middle- and upper-income areas. Subprime lending will not be included in the lending increases to low- and moderate-income areas. In 1999, the Chicago CRA Coalition negotiated similar agreements with Old Kent Bank and Charter One.

- ◊ The City of Cleveland, in their 1991 agreement with Society Bank, committed the bank to increase the number of home purchase loans by 25 percent a year for four years and to increase the number of home purchase loans by 25 percent for four years in communities where the population is greater than 90 percent African-American.

**Multifamily:** Although the commitments for multifamily housing are not as prevalent as single-family, lenders have also agreed to lending goals for multifamily low- and moderate-income and minority neighborhoods:

- ◊ In its 2006 agreement with the Greenlining Institute and the California Reinvestment Coalition, Wachovia committed to \$4 billion for multifamily affordable housing and community development lending for families with incomes no greater than 80% of area median income.
- ◊ In its 2005 agreement with the Greenlining Institute and the California Reinvestment Coalition, the Union Bank of California pledged to commit 9% of all loans under the CRA Commitment to multifamily loans. These loans will target individuals who make no more than 60% local area media income and will give special preferences to Single Room Occupancy projects, HUD preservation projects and special needs properties.
- ◊ In its 1999 agreement with the Chicago CRA Coalition, Old Kent promised to maintain a LMI-to-MUI market share ratio of 1.5 for multifamily lending for three years. In other words, the bank's market share of multifamily loans in low- and moderate-income census tracts will be 1.5 times greater than its market share of loans in middle- and upper-income communities.
- ◊ In its 1998 agreement with the California Reinvestment Committee (CRC) and the Greenlining Institute, California Federal Bank promised to make \$500 million in multi-family loans. To foster projects produced by nonprofit organizations for lower income renters, the bank will allow minimum loan sizes of \$250,000. In addition, the bank has agreed to report data to CRC and Greenlining that goes beyond data disclosure requirements of HMDA (Home Mortgage Disclosure Act). This reporting will include information on the number of units and summary information regarding tenant income targets.
- ◊ The California Reinvestment Committee (CRC) and the Greenlining Institute, as part of their 1995 \$45 billion agreement with Wells Fargo Bank of San Francisco, committed the bank to apply 60 percent of the \$7 billion tagged for low-income housing towards low-income rental housing construction.

- ◊ In its 1999 agreement with New Jersey Citizen Action, Sovereign Bank agreed to offer \$500,000 in lease purchase mortgages to help low- and moderate-income renters become owners. The mortgages are issued to nonprofit housing developers, and are assumed by renters two to five years later when they are ready to become homeowners. These loans will eventually reach the secondary market because the bank's loans will conform to the guidelines established by the Fannie Mae Lease-Purchase program.

**Nonprofit and Minority Housing Developers:** Some CRA commitments specifically designate funds for community development projects taken on by nonprofit and minority housing developers:

- ◊ New Jersey Citizen Action and the Bank of New York agreed in 1999 that the bank will commit \$25 million over five years for the construction and financing of multi-family properties. Community Development Organizations (CDOs), as well as for-profit developers working in tandem with CDOs, will be eligible to receive the financing.
- ◊ In its 1998 CRA agreement with the Detroit Alliance for Fair Banking, NBD Bank promised to offer \$1.8 million in direct grants to CDCs for unrestricted pre-development and project support over the next three years. The bank will also offer pre-development loans of at least \$300,000.
- ◊ The Community Reinvestment Association of North Carolina, in their 1991 agreement with First Citizens Bank and Trust Co., committed the bank to provide \$6 million in loans over three years to nonprofit and/or minority developers for the development, construction, and permanent financing of one- to four-unit housing for households below 80 percent of the area median income.
- ◊ The Washington Reinvestment Alliance, in their 1992 agreement with Key Bank, committed the bank to provide \$10 million in lines of credit for community-based nonprofits and housing authorities engaged in the construction and rehabilitation of housing targeted at low-income and/or first-time home buyers. The lines of credit are also available for the construction and rehabilitation of low-income single-family, and multifamily rental housing.

**Housing Cooperatives, Land Trusts, and Mobile Homes/Manufactured Housing:** Although rare, a few CRA agreements have also included provisions specifically targeting loans for these housing types:

- ◊ The Coalition for Community Reinvestment (Ohio), in their 1990 agreement with Dollar Savings and Trust Company, committed the bank to develop a pilot program to make loans through community land trusts to low- and moderate-income home buyers.
- ◊ The Washington Reinvestment Alliance, in their 1992 agreement with Seafirst, committed the bank to make a portion of their single-family lending goal -- \$1.1 billion over ten years -- available for conventional and portfolio loans for the purchase and/or renovation of manufactured housing and mobile homes, including the purchase of mobile home parks by residents.

**Mixed-Use Real Estate:** Properties that have had both residential and business uses such as stores with apartments on the second floor are also targeted in CRA agreements:

- ◊ Northern Trust Company, in their 1984 agreement with the Chicago Reinvestment Alliance, agreed to \$5 million over five years for the purchase and/or rehabilitation of mixed-use property in low- and moderate-income areas.

**Target Populations:** Several agreements include provisions targeting specific populations to ensure that the needs of underserved populations are met.

- ◊ In a 10-year span, starting in 2005, Bank of America has committed \$750 billion to affordable housing, community development, and small business lending. Part of this commitment will target housing, job creation and economic opportunities in Indian Country and rural communities through a specific \$25 billion Rural & Indian Country Initiative.
- ◊ As part of the CRA agreement between the Chicago CRA Coalition and Bank One/JP Morgan Chase in 2004, JP Morgan Chase has determined specific goals for their market share lending ratios in the six-county Chicago area. Their goal is to have the same market share to low- and moderate- income borrowers and census tracts as for middle- and upper- income borrowers and census tracts. The same approach will apply to minority borrowers and neighborhoods. For instance, if the bank makes five percent of loans in white neighborhoods, it will strive to make five percent of all loans in minority neighborhoods.

- ◊ MidAmerica Bank's \$3 billion commitment in 2003 will target single- and multi- family residential lending to families whose incomes are 80% or less of the median income. Part of MidAmerica's commitment also includes establishing 2 additional branches in low- to moderate-income areas.
- ◊ Citibank intends to offer certain products and services specifically to first-time homebuyers as part of its 2002 pledge in the states of California and Nevada. These programs include FHA programs, low- to no-down payment programs, and down payment assistance programs (like IDAs and closing cost assistance grants). Citibank has a primary focus of the very low income (50% or less of average median income) families for its construction and permanent lending for residential developments.
- ◊ In its 2000 agreement with Inner City Press/Community on the Move, Sound Federal Bancorp pledged to increase its mortgage lending in low- and moderate-income tracts, making \$10 million of mortgage loans or 15 percent of its loans in these tracts during the year. Sound Federal will also open a branch in Mount Vernon, Pelham or New Rochelle in the next 18 months. It will expand its CRA assessment area to include Mount Vernon and New Rochelle.
- ◊ In its 1999 agreement with New Jersey Citizen Action and the Affordable Housing Network of New Jersey, the Bank of New York pledged to allocate \$10 million under a pilot program that would offer lower rate refinance loans to borrowers holding subprime loans. Under the pilot, borrowers will not be required to have a minimum credit score provided they can demonstrate 18 months of satisfactory mortgage payments.
- ◊ The Community Reinvestment Association of North Carolina, in its 1999 agreement with First Union, committed the bank to pledge specific amounts of home and small business loans to about 20 metropolitan and rural areas in the state of North Carolina, as part of the bank's \$1 billion total pledge.
- ◊ In 1999, the Chicago CRA Coalition committed Old Kent to developing and marketing a program for subprime borrowers to refinance at lower interest rates. The Coalition secured a promise from Charter One to create a referral-up program to ensure that borrowers receive the highest grade of credit for which they are qualified.

- ◊ New Jersey Citizen Action, in its 1996 agreement with Fleet Bank, committed the bank to a new home loan program for people with disabilities. Specifically, Fleet has designated \$15 million over the next three years for loans at 1 percent below the market rate on unsecured installment loans. These loans are intended for borrowers located in low- and moderate-income areas.
- ◊ The California Reinvestment Committee and the Greenlining Institute were able to secure specific targeting in their 1998 agreement with Home Savings of America. The lender committed \$22.5 billion in single-family home loans to minorities and borrowers living in low- and moderate-income census tracts over the next ten years. This will be approximately 35 percent of the Home Savings' total home loans, an increase from 25 percent currently targeted to these demographic groups.

### **Loan Terms and Conditions**

Loan dollar targets are ineffective if the terms and conditions of the loans (e.g. interest rate, closing costs, down payment, etc.) are not affordable to low-income and minority individuals and/or nonprofit developers. Consequently, many agreements contain specific provisions to make the terms and conditions of housing loans more affordable.

**Lower Interest Loans:** Low interest loans provide discounts on a lender's prevailing rate. Below market interest rates for housing loans are also included in CRA commitments. With the advent of subprime lending, community groups have also secured promises from lenders that curb excessive costs from subprime loans.

- ◊ As part of its 2003 pledge, CitiMortgage will offer a Closing Cost Assistance Program (CCA) that encourages people to become homeowners by reducing closing costs for buyers in certain areas. In addition to CCA, CitiMortgage has instituted a program that allows borrowers with past credit difficulties to obtain a mortgage rate two percent lower than what credit impaired borrowers typically pay. Borrowers who have paid on time for 24 consecutive months are eligible for reductions in mortgage interest rates.

- ◊ U.S. Bank has opened an "Alternative Loan Division" that will make subprime home equity loans to borrowers who do not qualify for prime loans. In the fall of 2000, U.S. Bank promised the California Reinvestment Committee that all home equity operations of the bank will adhere to pricing guidelines consistent with fair lending laws. In addition, the bank promises to implement fair lending guidelines for business relationships with New Century and other subprime lenders. These guidelines institute an U.S. Bank semi-annual audit of New Century that will ensure that New Century does not make any loans with negative amortization, excessive prepayment penalties, or loans ignoring borrower repayment ability.
- ◊ In 1999, the Massachusetts Affordable Housing Alliance (MAHA) convinced eight banks to provide more than 2,100 below-market rate loans totaling \$270 million over the next five years to lower income first time homebuyers. Called "Soft Seconds," these mortgages also involve a small public subsidy and save a typical homebuyer up to \$200 a month compared to a conventional mortgage. In operation since 1990, the Soft Seconds program has delinquency rates below the overall delinquency rates in Massachusetts. MAHA, the Massachusetts Association of Community Development Corporations, and other community groups persuaded FleetBoston to make 2,600 Soft Second mortgages available over five years, also starting in 1999.
- ◊ In 1998, Household International signed a \$ 3 billion agreement with Inner City Press/Community on the Move and the Delaware Community Reinvestment Action Council. Household specializes in offering subprime, high interest loans to those with blemished credit histories. As part of the agreement, Household agreed to establish a lower interest home equity loan product for those borrowers with "A" or "A-" minus credit histories. This is a precedent-setting agreement since minorities of all credit histories have been customers of subprime lenders in numbers disproportionate to their population.
- ◊ New Jersey Citizen Action, in its 1997 agreements with Hudson United Bank and Security National Bank, committed the lenders to offer home improvement loans with interest rates 1 percent below the market rate.
- ◊ Bank of America, in their 1992 agreement with Southern Nevada Reinvestment and Affordable Housing Committee, agreed to provide \$18 million in loans to nonprofit affordable housing projects at below-market interest rates.

**Loan Size:** Lenders set a minimum loan size that they will finance due to the transaction costs incurred in originating and servicing the loans. However, individuals that live in areas where property values are low often require mortgages or loans that fall below a lender's minimum limit. As a result, CRA agreements contain provisions lowering or eliminating a lender's limit on the size of a mortgage or other types of housing related loans.

- ◊ In their 1998 agreement with the Maryland Center for Community Development, First Union established unsecured home improvement loans of \$1,500 to \$7,500 with no fees and a rate of 50 basis points (or one half of 1 percent) lower than their regular improvement loans.
- ◊ Montana Peoples Action, in their 1990 agreement with First Interstate Bank of Billings, committed the bank to waive minimum loan amounts for mortgages and home improvement loans.

**Waive or Reduced Costs:** Closing costs are fees and expenses that a lender requires a borrower to pay in connection with closing a loan. They often include inspection and appraisal fees, title insurance expenses, attorney's fees, and other similar costs. As these costs can be a barrier to affordability, some community groups have successfully committed lenders to waive or reduce these costs in CRA commitments.

- ◊ In its \$200 million CRA agreement with the City of Cleveland, Firstmerit will offer a "First Choice Mortgage" with a 97% loan-to-value ratio; 33%/44% housing and debt ratios; no private mortgage insurance; and no application or origination fee, starting in the year 2000.
- ◊ Communities United for Action (Ohio), in their 1989 agreement with Central Trust Company, committed the bank to waive closing points on home mortgages for families with incomes less than \$20,000.

**Points:** Points are fees to induce lenders to make a mortgage loan. Each point equals one percent of the loan principal. To make housing loans more affordable, many CRA agreements contain provisions to waive or reduce points.

- ◊ The Massachusetts Affordable Housing Alliance, in CRA agreements with a number of banks, committed the lender to offer first-time home loans with no points.

**Downpayments and Mortgage Insurance:** Typically, a lender will only provide a mortgage up to 80 percent of the property's value, requiring a borrower to pay the remaining 20 percent as a downpayment. High downpayments are impediments to low-income borrowers. In addition, lenders usually require private mortgage insurance on a loan exceeding 80 percent of the home's value to protect themselves against default. However, low-income and minority individuals often have difficulty acquiring mortgage insurance. Consequently, some CRA agreements include low downpayments and waive mortgage insurance requirements to make mortgages more affordable to low-income and minority individuals.

- ◊ JP Morgan Chase, in its 2004 agreement with the Chicago CRA Coalition, will be increasing its down payment assistance program (DAP) to \$200,000 a year, with up to \$3,000 per low- and moderate-income borrower.
- ◊ The 1999 agreement among Sovereign Bank, New Jersey Citizen Action, and the Affordable Housing Network of New Jersey committed the bank to offer an affordable home mortgage product that features no private mortgage insurance, waiving of points, housing and debt ratios of 33/40, 1 to 1.5 percent below market rate interest rates, 95 percent Loan-to-Value, and up to 3 percent of the downpayment in the form of a gift or second mortgage. Over a period of three years, the bank will offer \$41 million annually of these affordable mortgages.
- ◊ In their 1998 agreement, New Jersey Citizen Action and the Philadelphia Association of CDCs committed First Union to providing affordable home loans with no private mortgage insurance, down payments coming from sweat equity, debt-to-income ratios as high as 33 and 38 percent, and loans as low as \$10,000. Likewise, the Maryland Center for Community Development and First Union agreed that the bank would provide a 100 percent Loan-to-Value product with no downpayment, no points, no private mortgage insurance, and \$500 of the borrower's own funds at closing which can be a gift or paid by the seller.
- ◊ In its 1998 negotiations with the Chicago CRA Coalition, First Chicago NBD agreed to offer a Downpayment Assistance Pool of up to \$150,000 for six years with \$1,500 per borrower. One third of the pool will be set-aside for borrowers below 60 percent of area median income, and the remainder will be for those at 80 percent of area median income.
- ◊ In its \$1.25 billion agreement with OCRP and COHHIO signed in 1998, Fifth Third Bank agreed to maintain a "Home Sweet Home" mortgage with no requirement for private mortgage insurance and 3% downpayments.

- ◊ New Jersey Citizen Action, in their 1992 agreement with First Fidelity Bank, committed the bank to provide home mortgages targeted at low- and moderate-income individuals (up to 80 percent of area median income) with a five percent downpayment and no mortgage insurance requirement. In their 1996 agreement with Fleet, the group convinced the bank to offer unsecured loans that would cover a portion of downpayments and closing costs. The lender will also make grants of up to \$2,500 for lower income borrowers that have sufficient incomes to pay monthly housing costs but need help with downpayments.

**Sweat Equity:** A number of agreements contain provisions allowing a borrower to apply the value of work performed at a property (sweat equity) toward the downpayment.

- ◊ The Coalition for Community Reinvestment (Ohio), in their 1990 agreement with Dollar Savings and Trust Company, committed the bank to accept 50 percent of the downpayment on home purchase/rehabilitation loans in the form of rehabilitation work performed by the buyers (i.e. sweat equity) under the supervision of skilled contractors or CDCs.

**Nonrecourse:** Recourse is the ability of a lender to claim money from a borrower in default, in addition to the property pledged as collateral. In many cases, CDCs (Community Development Corporations) do not want to accept a loan with recourse because there is a possibility that it will jeopardize the CDCs' other assets and projects. Some community groups have successfully committed banks to make loans to nonprofits on a nonrecourse basis.

- ◊ The Maryland Alliance for Responsible Investment, in their 1986 agreement with the Maryland National Bank, committed the bank to make loans on a nonrecourse basis to nonprofit housing developers.

**Distress:** Distressed properties are properties that are under the threat of foreclosure due to missed loan payments. Some CRA agreements contain provisions committing the lender to exercise greater forbearance for distressed properties in low- and moderate-income and minority neighborhoods.

- ◊ ACORN, Philadelphia, in their 1986 agreement with Fidelcor, committed the bank to exercise greater forbearance prior to foreclosure. Specifically, the bank agreed to allow a moratorium on payments of up to six months where the failure to make payments is caused by circumstances beyond the control of the borrower, and there is a reasonable prospect that the borrower's situation will improve. The bank also agreed to allow repayment agreements permitting up to two years for a borrower to catch up on delinquent payments.

## Underwriting Standards

Underwriting standards are the general guidelines used by lenders to approve or deny a loan based on the credit worthiness of the borrower and the value of the property. Traditional underwriting standards used by lenders can unfairly exclude low-income and minority applicants who may be creditworthy. A number of CRA agreements contain provisions committing lenders to be more flexible in their application of underwriting standards.

**Credit History:** Many low-income and minority applicants often lack traditional credit histories or have a record of late payments that discourages lenders from approving a loan. CRA agreements include a more flexible approach to credit histories.

- ◊ In its 1998 agreement with the Chicago CRA Coalition, First Chicago NBD agreed to a second review of all applications from minorities and low- and moderate-income applications. The bank will strive to offer loans to applicants with "marginal" credit scores. Denied applicants will be referred to homeownership counseling programs.

- ◊ The Pittsburgh Community Reinvestment Group, in their 1990 agreement with the Union National Bank, committed the bank to include a flexible approach to a low- or moderate-income applicant's credit history. If an applicant has a less than normally acceptable credit history, Union National Bank agreed not to disqualify the applicant if: 1) less than prompt payments have not occurred in the last year, 2) the credit problem is explained by circumstances beyond the applicant's control, and 3) the problem is unlikely to affect repayment of the loan.

**Employment History:** Most lenders require borrowers to have between two and five years at the same job to qualify for a loan. This requirement often excludes low-income and minority applicants who change jobs frequently but nevertheless maintain a steady source of income. CRA agreements have included provisions to address this problem.

- ◊ Comerica Bank, in their 1988 agreement with the Detroit Committee for Responsible Investment, agreed to waive the two-year same employment requirement if the applicant demonstrates continuous employment in similar paying jobs over the past two years.

**Income Source:** In calculating an applicant's ability to repay a loan, lenders traditionally have excluded calculating all sources of a low-income applicant's income. CRA agreements have included provisions to broaden the type of income a lender will consider in evaluating the credit worthiness of a low-income or minority applicant.

- ◊ The New Jersey Fair Banking Initiative Coalition, in their 1987 agreement with First Fidelity Bancorporation, committed the bank to consider all traditional and verifiable sources of income, including social security, unemployment benefits, public assistance (including welfare benefits), self employment, and part-time employment.

**Obligation Ratios:** Obligation ratios are used by lenders to calculate whether an applicant is able to afford a mortgage. Industry standards are generally set at 28 percent for housing expense-to-income and 36 percent for total debt-to-income. These standards in many instances are too low for low-income and minority individuals, who usually devote a higher proportion of income to housing expenses. Many CRA agreements have addressed this issue by committing lenders to use higher obligation ratios.

- ◊ In their 1998 agreement with New Jersey Citizens Action, Broad National Bank established an affordable home mortgage product with 33/40 as underwriting criteria (33 percent housing expense-to-income and 40 percent total debt-to-income).
- ◊ United Banks of Denver, in their 1991 agreement with Metropolitan Organizations for People, agreed to use a 33 percent housing expense-to-income ratio and 45 percent debt-to-income ratio in evaluating low- and moderate-income applications for first and second mortgages.

**Property Appraisal:** An appraisal is an estimate of the value of a property. Lenders use property appraisals to determine the value of collateral in case a borrower defaults. This in turn affects the terms and conditions under which a lender will make a loan. Some CRA agreements contain provisions to ensure that lenders do not unfairly undervalue property in distressed or minority neighborhoods.

- ◊ The D and N Savings Bank, in their 1990 agreement with the Flint Coalition for Fair Banking Practices (Michigan), agreed to employ minority appraisers and/or contract with agencies which employ minority appraisers.
- ◊ The Joint Ministries Project and ACORN, Minnesota, in their 1991 agreement with Twin Cities Federal Bank, committed the bank to refrain from using the neighborhood in which a property is located or the presence of a commercial establishment as a factor in rejecting a housing loan.

#### **Participation in Public Programs/Loan Pools and Consortiums**

Many CRA agreements contain provision committing lenders to participate in federal, state, or local government loan programs that encourage the creation of affordable housing by providing insurance and/or subsidies to private lenders. In addition, lenders have also agreed to create or participate in private and/or public loans pools and consortiums to spread the risk and reduce transaction costs for affordable home loans.

**Federal Housing Administration (FHA) and Veterans Administration (VA) Programs:** The FHA is an agency within the U.S. Department of Housing and Urban Development that administers loan guarantee and loan insurance programs designed to make housing more affordable; the VA performs a similar function for veterans. A number of CRA agreements contain provisions committing banks to participate in these programs.

- ◊ Union Planters National Bank, in their 1990 agreement with the Shelby County Community Reinvestment Coalition, agreed to establish a \$2 million pool of funds to make FHA and VA insured mortgage loans at one percent less than the market interest rate.

**Federal Home Loan Bank Programs:** The Federal Home Loan Bank System (FHLBank) is a government-sponsored enterprise that provides low-cost loans to home mortgage lenders. It has two programs to encourage its members to engage in community reinvestment and affordable housing: the Affordable Housing Program (AHP) and the Community Investment Program (CIP).

- ◊ In 1999, New Jersey Citizens Action and the Affordable Housing Network convinced the Rahway Savings Institution to use the Federal Home Loan Bank (FHLB) of New York's home buyers program. Under this program, the FHLB will provide grant funding to match every one dollar of a homebuyer's savings with three dollars. The FHLB funding does not exceed \$5,000. Low- and moderate-income homebuyers must receive homeownership counseling. Rahway will make about 12 loans annually under this program.
- ◊ Megamergers are creating difficulties with the use of the AHP and CIP programs. In its 1998 agreement, First Union, which is based in Charlotte, pledges to encourage the Atlanta FHLB Bank to not let higher geographic per unit costs negatively affect the scoring of projects in Pennsylvania and New Jersey where the bank has a large presence. The bank pledges to address the FHLB issue with community representatives on its advisory committee.
- ◊ The Trenton Reinvestment Coalition, in their 1992 agreement with Sovereign Bank FSB, committed the bank to make its best efforts to achieve a goal of providing \$3 million in permanent financing for low-income rental housing in Trenton over three years utilizing FHLBank programs.

**Housing Finance Agency Bonds:** Many state housing finance agencies are empowered to issue tax-exempt bonds whose proceeds are used to finance affordable housing projects. A few agreements contain provisions committing lenders to purchase these bonds.

- ◊ In a 1992 agreement with the Washington Reinvestment Alliance, Seafirst committed to purchase not less than \$10 million of tax-exempt bonds each year for five years from the Washington State Housing Finance Commission. Under the agreement, the funds would be targeted toward private and public nonprofits, as well as for-profit corporations, developing affordable multifamily rental housing.

**Low-Income Housing Tax Credits:** Low-income housing tax credits, enacted by Congress in 1986, allow individuals and corporations who invest in eligible properties to use the credits to reduce their tax liability.

- ◊ Included in its 2003 agreement with Washington Reinvestment Alliance, KeyBank made a commitment of \$9 million to invest in Low Income Housing Tax Credits. The bank also committed \$75 million in community homebuyer programs, which include FHA loans, Washington state bond loans, and VA government loans.
- ◊ The Ohio Community Reinvestment Project and the Coalition on Homelessness and Housing in Ohio secured a three-year \$10 million investment in low-income housing tax credits from Star Bank. This investment will support multi-family developments undertaken by the Ohio Capital Corporation for Housing, LISC, and Enterprise.
- ◊ New Jersey Citizen Action, in its 1993 agreement with the Bank of New York, committed the bank to invest \$1 million over five years in multifamily low-income rental projects sponsored by New Jersey-based nonprofits. In 1997, the group persuaded Hudson United Bank to commit \$10 million in low income housing tax credits.
- ◊ Sovereign Bank FSB, in their 1992 agreement with the Trenton Reinvestment Coalition, agreed to be an equity investor in low-income rental projects in Trenton which qualify for federal low-income housing tax credits. The bank agreed to achieve a goal of \$500,000 in tax investments a year.

**Public/Private Loan Pools and Consortiums:** In some cases, a lender will commit to invest in a loan pool or consortium that provides funding for affordable housing and/or community reinvestment projects.

- ◊ New Jersey Citizen Action, in its 1993 agreement with Corestates New Jersey National Bank, received a commitment from the bank to devote \$200,000 to pre-development loans pools managed by the New Jersey Department of Community Affairs and the Community Loan Fund.
- ◊ The Massachusetts Affordable Housing Alliance, in their 1990 agreement with Shawmut Bank, committed the bank to provide \$10 million to the \$100 million Massachusetts Housing Investment Corporation loan pool. The loan pool provides credit for the purchase, rehabilitation, and construction of rental, cooperative, and single-room occupancy housing.

- ◊ Washington Mutual Savings Bank, in their 1993 agreement with the Washington Reinvestment Alliance, agreed to assist in the creation of a pre-development state-wide loan fund for nonprofits based on LISC and/or Low-Income Housing Fund models. The bank agreed to provide \$300,000 over three years.

### **Other Forms of Housing Support**

In addition to dollar targets, concessions on loan terms, flexible underwriting criteria, and participation in public programs, lenders have also committed to provide loan counseling to low-income and minority individuals, institute review processes for rejected loans, conduct discrimination testing, and develop policies toward foreclosed properties.

**Loan Counseling:** Even with concessions on loan terms and flexible underwriting criteria, low-income and minority individuals sometimes require counseling and education in order to be creditworthy for housing loans. A number of lenders in CRA agreements have committed to support loan counseling programs.

- ◊ As part of their 2003 CRA agreement with Association for Neighborhood & Housing Development Inc., HSBC and Household will be establishing a remediation/foreclosure prevention fund consisting of \$20 million a year for five years. The fund will assist customers who find themselves in financial difficulty and are at risk of foreclosure.
- ◊ Starting in 2002, Citizens Bank is providing \$500,000 to establish a homeowner counseling program in Pittsburgh's East End to boost financial literacy in targeted neighborhoods. Another grant is for the Pittsburgh Community Reinvestment Group to support its anti-predatory lending initiative.
- ◊ In its 1998 agreement with Inner City Press/Community on the Move, Equity One committed to paying up to \$250 for credit counseling for borrowers 31 days late on loan payments. Equity One is a subprime lender that specializes in offering loans to people with blemished credit histories. A commitment to paying for credit counseling is an indication that the lender will not seek to profit from delinquencies and foreclosures.
- ◊ SENSES, in 1998, persuaded Evergreen National Bank to stop referring rejected applicants to a local subprime lender in Albany, New York. Evergreen will now refer applicants who are not ready for loans to nonprofit homeownership counseling agencies.

- ◊ Dauphin Deposit Bank and Trust Company, in their 1993 agreement with the Harrisburg Fair Housing Council, agreed to financially support a credit counseling service run by the Fair Housing Council. The council provides pre-purchase and outreach counseling.
- ◊ The Washington Reinvestment Alliance, in their 1992 agreement with Key Bank, committed the bank to provide at least \$200,000 over ten years for mortgage default counseling programs offered by nonprofit agencies.

**Loan Review:** One important way a lender can ensure that the denial of loan applications is not due to bias or discrimination is by instituting a review or “second look” programs. A number of lenders have agreed to institute such programs in CRA agreements.

- ◊ In 1996, the Delaware Community Reinvestment Action Council convinced Wilmington Savings Fund Society, FSB to improve its second review policy for consumer and residential loans. A monitoring committee composed of lender and community representatives will review loan applications that were considered by the lender’s second look program. In addition, Wilmington Savings will expand its second-look program to small business loan applications.
- ◊ Bank of America, in their 1992 agreement with the Southern Nevada Reinvestment and Affordable Housing Committee, agreed to institute a three-tier review process before a loan application is denied from a minority or low-income borrower.

**Lending Discrimination Testing:** Lending institutions have also agreed to detect discriminatory practices by hiring outside testers.

- ◊ The Leadership Council for Metropolitan Open Communities, in their 1993 agreement with First Colonial Bankshares Corporation, committed the bank to contract with an independent agency experienced in fair housing to conduct 120 lending tests at each bank of the holding company.

**Foreclosed Properties:** In a few cases, lenders have agreed to notify or offer foreclosed properties to nonprofits.

- ◊ Bank of America, in their 1992 agreement with the Southern Nevada Reinvestment and Affordable Housing Committee (SNRAHC), agreed to make a list available to SNRAHC, no later than the time of default, of multifamily units financed by the bank which may be utilized by nonprofit organizations for affordable housing.
- ◊ The Community Reinvestment Association of North Carolina, in their 1991 agreement with First Citizens Bank of Trust, committed the bank to offer first right of refusal on foreclosed properties to nonprofit housing organizations for use as transitional or permanent housing for low- and moderate-income households.

## BUSINESS AND ECONOMIC DEVELOPMENT

### Specific Loan Targets

While housing loans have been the primary focus of CRA agreements, community groups are increasingly using CRA agreements as a tool to promote economic development. CRA agreements include provisions setting dollar targets for small businesses, minority and women-owned enterprises, micro businesses, and economic development projects.

**Small Business:** Small business, while one of the main employment generators in the country, have traditionally faced problems accessing credit. A number of CRA agreements contain provisions committing lenders to target small businesses in low- and moderate-income areas.

- ◊ Wachovia, in its agreement with New Jersey Citizen Action and the Housing and Community Development Network of New Jersey, pledged \$5 billion in small business loans.
- ◊ Region and AmSouth banks, in their 2006 voluntary commitment, pledged to originate \$50 billion dollars worth of loans to small businesses.
- ◊ Bank of the West, in its 2005 CRA commitment to the California Reinvestment Coalition, pledged \$25 billion for small business loans, SBA loans and small farm loans while reaching out to a significant amount of woman and minority owned firms to reach this goal.
- ◊ In its CRA commitment to the Greenlining Institute and the California Reinvestment Coalition, Wachovia pledged \$15 billion in small business loans over a ten year period with 50% of those loans being \$50,000 or less.
- ◊ Union Bank of California, in its 2005 pledge to the Greenlining Institute and the California Reinvestment Coalition, pledged a “good-faith effort” that stated that 65% of all loans from the CRA commitment would go to small businesses. The bank aims, in the next ten years, to be one of the top three lenders for small business in California and increase its loans to women and minority owned firms at the fastest rate possible.
- ◊ About \$90 billion of JP Morgan Chase's 2004 commitment will be investments to assist small businesses and community-based organizations. JP Morgan Chase plans to open more Business Resource Centers to provide technical assistance to small businesses and expand its SBA Community Express program.

- ◊ U.S. Bank made a pledge to the California Reinvestment Committee in 2000 that it will seek to make 50 percent of its small business loans in amounts of less than \$50,000. Start-up businesses and micro-enterprises typically need the smaller loans of \$50,000 and less.
- ◊ In its 2000 agreement with community groups and public officials in Massachusetts, Sovereign Bank will offer a guaranteed second look program to applicants for small business loans not meeting traditional underwriting criteria. The second look will ascertain if Sovereign can make a loan after considering mitigating circumstances and/or providing credit enhancement. In addition, the bank will provide a discount (50 basis points below the prime rate) to small business borrowers receiving technical assistance.
- ◊ In its 1999 agreement with the Massachusetts Association of Community Development Corporations, Citizens Bank pledges to offer a small business loan that has a 50 basis point discount if the small business owner receives technical assistance and agrees to automatic payment. The bank will offer loans with 200 basis point discounts to small business owners located in Empowerment Zones.
- ◊ In its \$4.1 billion agreement with the Chicago CRA Coalition, First Chicago NBD agreed to make 5,190 small business loans in low- and moderate-income neighborhoods over a six year time period from 1998 through 2004. The bank will offer affordable lines of credit for working capital and will market a small business credit card to low- and moderate-income communities.
- ◊ In its 1998 agreement with West coast community organizations, Washington Mutual agreed to make \$25 billion in small business loans over 10 years, which will result about 700,000 jobs based on a SBA formula of one job for every \$35,000 in small business lending. Thirty percent of the loans will be targeted for minority and disabled-owned businesses. Seventy five percent of the loans will be in amounts of \$50,000 and less in order to reach the smallest of the small businesses.
- ◊ The California Reinvestment Committee (CRC) and the Greenlining Institute, as part of their 1995 \$45 billion agreement with Wells Fargo Bank of San Francisco, gained the bank's commitment to devote most of the \$25 billion for small business development to very small businesses in the form of loans less than \$50,000. In their 1997 agreement with Washington Mutual, the community groups committed the lender to target \$9 billion of small business loans to businesses located in Enterprise Zones or businesses owned by minorities, women, or disabled persons.

- ◊ The Pittsburgh Community Reinvestment Group, in their 1990 agreement with the Union National Bank, committed the bank to provide nearly \$92 million over eight years in loans to small businesses in specific target areas.

**Minority- and Women-Owned Business:** Minority- and women-owned businesses also face difficulties in accessing credit. CRA agreements contain provisions to specifically target these underserved sectors of the economy.

- ◊ The Union Bank of California, in its 2005 agreement with the Greenlining Institute and the California Reinvestment Coalition, agreed to expand its Business Diversity Lending Program, which increases access to financing for businesses that are at least 51% woman and/or minority-owned.
- ◊ In 1999, The Detroit Alliance for Fair Banking persuaded Michigan National Bank to target African-American businesses for loans under \$500,000, including micro-loans up to \$35,000. The bank will conduct second reviews of denied loans. The bank will promise that it will utilize the exemption under Regulation B for special purpose programs to report the number of loans made to minority business owners as well as those denied and loans made after second reviews.
- ◊ The Pittsburgh Community Reinvestment Group, in their 1990 agreement with the Union National Bank, committed the bank to provide \$20 million over seven years to minority- and women-owned businesses in specific target areas.

**Micro Business:** Micro businesses are very small businesses that are often part-time, home-based, and women- and/or minority-owned. A few of the CRA agreements contain provisions committing lenders to set programs focusing on the credit needs for these businesses.

- ◊ Montana Peoples' Action, in their 1990 agreement with First Interstate Bank of Billings, committed the bank to assist in the establishment of a small business incubator project with the primary purpose of promoting the development of micro businesses principally owned by low- and moderate-income and minority residents of Billings. The bank agreed to assist by providing a seed grant, technical assistance, and assistance in identifying additional sources of funding.

**Economic Development Projects:** In a few instances, lenders have committed to loan funds to nonprofit economic developers or projects.

- ◊ In its 2002 pledge, Bank of the West also has a goal for \$40 million in charitable contributions to help organizations that promote economic development, financial literacy, affordable housing, environmental preservation and health and human services for low- and moderate-income residents. Bank of the West has determined a goal of \$1 billion in lending to churches and other religious institutions. This commitment is for the states of California, Oregon, Washington, Idaho, Nevada, and New Mexico.
- ◊ Citizens Bank plans to create two funds of \$1.5 million each to be managed by the Urban Redevelopment Authority of Pittsburgh. Starting in 2002, these Community Development Funds will be used to finance projects generating new or renovated housing.
- ◊ Merrill Lynch, which has established three depository institutions in recent years, promised the Greenlining Institute in 2000 that it will make \$159 million in loans and investments from 2000 to 2003 in Asian, Latino, and African-American communities in Southern California and the San Francisco Bay area. To provide access to its securities products, Merrill Lynch will commit \$16 million to recruit financial consultants to conduct outreach efforts in minority areas. It will also chose two venture capital firms, Fulcrum Venture Capital and Inroads Capital, to manage \$5 million for investing in small and growing businesses in Southern California.
- ◊ The New Jersey Fair Banking Initiative Coalition, in their 1991 agreement with Chemical Bank Corporation and Manufacturers Hanover Corporation, committed the bank to provide \$7.5 million over five years for the financing of economic development initiatives that foster commercial development and create job opportunities in targeted urban areas.

### **Participation in Public Programs/Loan Pools and Consortium**

Many CRA agreements contain provisions committing lenders to participate in federal, state, or local government loan programs that encourage economic development by providing insurance and/or subsidies to private lenders. In addition, lenders have also agreed to create or participate in private and/or public loan pools and consortia to spread the risk and reduce transaction costs of small business lending.

**Small Business Administration (SBA) Loans:** The Small Business Administration is an agency of the federal government that primarily provides loan guarantees for small businesses.

- ◊ In 1998, the California Reinvestment Committee and the Greenlining Institute secured the agreement of Home Savings of America to make \$3.5 billion in SBA, California Capital Access, and other government guaranteed small business loans. The San Diego City-County Reinvestment Task Force and Home Savings (subsequently Washington Mutual) agreed that the amount for these loans in San Diego would be \$430.5 million over 10 years.

**Public/Private Loan Pools and Consortium:** Loan pools and consortiums allow financial institutions to pool their resources together and work together to provide financing for economic development projects.

- ◊ In the 1999 agreement with MAHA, MACDC, and other community organizations, FleetBoston promised \$20 million annually for direct equity investments in small businesses or through fund pools such as CDFIs. Between \$5.2 and \$7 million on a yearly basis will be directed towards investments in Massachusetts.
- ◊ Society Bank, in their 1991 agreement with the City of Cleveland, agreed to provide \$200,000 equity investment as initial capital towards a \$1 million pool to be generated by the City and other financial institutions for a pilot micro-lending program focused on start-up and non-bankable businesses.

#### **Other Forms of Support for Business**

In addition to dollar targets and participation in public programs, lenders have also agreed to institute loan review programs, small business counseling and technical assistance, and minority vending programs.

**Loan Review and Service Promises:** A few CRA agreements contain provisions committing lenders to institute loan review programs and other service features that facilitate loan approvals.

- ◊ To help small businesses, Citibank intends to continue a program started by Cal Fed whereby FICO score thresholds are lowered for business loan applicants that specifically operate in low-and moderate-income areas. In 2002, Citibank dedicated \$10 billion in loans to businesses located in low-and moderate- income and minority census tracts, loans to businesses with revenues under \$1 million, and loans less than \$100,000.
- ◊ In its 1999 agreement with the Community Reinvestment Association of North Carolina, First Union committed to serving small businesses with revenues under \$1 million with a 1-800 number and a response to a loan request within 24 hours.
- ◊ The Delaware Community Reinvestment Action Council in its 1996 agreement with Wilmington Savings Fund Society, FSB established a Monitoring Committee to review, evaluate, and suggest modifications in the commitment and to discuss strategies to identify and reach the target populations.

**Counseling and Technical Assistance:** Some lenders have agreed to provide counseling and technical assistance targeted at small businesses.

- ◊ In 2004, Wachovia has pledged a total of \$45 billion in the next 5 years for small business growth. Approximately \$2 million of this commitment is for technical assistance to minority-owned small businesses. Another \$1 million will support small business resource centers, incubators, and micro enterprise entities. This commitment is to seven states, including: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia.
- ◊ CoAmerica has committed \$200,000 per year for a 2 year period (starting in 2002) to create a Small Business Technical Assistance Provider Initiative. This program will provide grant money to non-profit small business technical assistance providers that have a history of working with businesses in low- and moderate- income areas, and to ethnic minority-, women-, and disabled- owned businesses.
- ◊ The Community Reinvestment Association of North Carolina (CRANC), in their 1991 agreement with First Citizens Bank and Trust, committed the bank to conduct seminars designed to help small and minority businesses to develop and implement marketing and advertising plans. In addition, First Citizens agreed to pay \$20,000 over three years to CRANC to provide counseling service for small and minority businesses.

**Minority Vending:** Many CRA agreements contain commitments by lenders to stimulate the minority business sector by using minority businesses for bank contracts.

- ◊ In its 2002 pledge of \$30 billion, Bank of the West set aside \$250 million for Minority Vendor Contracts in a span of 10 years. This commitment is for the states of California, Oregon, Washington, Idaho, Nevada, and New Mexico.
- ◊ The Detroit Alliance for Fair Banking and NBD Bank agreed in 1998 that the bank will spend \$15 million with African-American vendors over three years--an amount which will be equal to 18 percent of the goods and services procured by the bank.
- ◊ In its 1998 agreement with the California Reinvestment Committee and the Greenlining Institute, California Federal agreed to allocate 40 percent of its vendor contracts to women-owned, minority-owned, and disabled-owned business enterprises. At least 75 percent of this total will be for minority-owned and disabled-owned businesses.
- ◊ The Greenlining Coalition, in their 1993 agreement with the Independent Bancorp of Arizona, committed the bank to set a seven year minority contract goal for 25 percent of its contracts by 1999 to minority- and disabled-owned businesses.

## CONSUMER LOANS

While not the primary focus of the CRA, community organizations have used CRA agreements as a means to increase access to consumer loan products for low-income and minority individuals.

- ◊ Wachovia, in its 2006 agreement with New Jersey Citizen Action and the Housing and Community Development Network of New Jersey, pledged \$500 million towards consumer loans to low-to-moderate income individuals.
- ◊ Bank of the West, in its commitment to the California Reinvestment Coalition, committed \$10 billion for loans to low-to-moderate income individuals and to low-to-moderate income census tracts.
- ◊ Wachovia, in its 2006 CRA agreement with the Greenlining Institute and the California Reinvestment Coalition, committed to originate \$60 billion consumer loans for LMI customers, such as home equity and auto loans.

- ◊ In its 2005 CRA agreement with the Greenlining Institute and the California Reinvestment Coalition, the Union Bank of California has targeted 9% of the loans under this agreement to be for secured low-income consumer loans with favorable rates, flexible underwriting criteria and no application fee.
- ◊ Part of Bank of the West's 2002 commitment was to make \$4.2 billion in consumer loans and related products to low-and moderate individuals and census tracts. Consumer loan products include vehicle loans and leases, home equity loans and lines of credit and personal loans.
- ◊ In 2000, KeyBank and the City of Cleveland agreed that the bank will provide small personal loans of up to \$3,500 with no application fee. These consumer loans from prime lenders are important alternatives to high interest-rate payday lenders and check cashing outlets.
- ◊ The Washington Reinvestment Alliance and U.S. Bancorp agreed on flexible underwriting criteria to qualify low- and moderate-income consumers without traditional credit histories. The bank estimated that it will be able to make \$621,000 in consumer loans during 1997 using this approach.
- ◊ The Pittsburgh Community Reinvestment Group, in their 1990 agreement with the Union National Bank, committed the bank to provide \$22 million in second mortgage and home equity loans over eight years for any purpose, including education, vacation, and medical expenses.
- ◊ Seafirst Bank, in their 1992 agreement, with the Washington Reinvestment Alliance, agreed to provide \$1.5 million annually for consumer loans with modified underwriting criteria and terms for low- and moderate-income individuals in Washington State.
- ◊ Bank of America, in their 1992 agreement with the Southern Nevada Reinvestment and Affordable Housing Committee, agreed to provide a consumer loan program targeted at individuals whose income is 80 percent below the area median income. The loans have relaxed underwriting criteria and are available for auto, home equity and improvement, and personal loans.

## FARM LOANS

Many small, family farmers and minority farmers have trouble accessing credit from lenders. However, only a few CRA agreements have focused on rural credit needs.

- ◊ The Community Reinvestment Association of North Carolina, in its 1996 agreement with First Union Bank, committed the bank to establish a loan program for farms with revenues of not more than \$1 million. First Union pledged \$5 million per year in loans to these small farms situated in low- and moderate-income areas.
- ◊ The California Reinvestment Committee (CRC) and the Greenlining Institute, as part of their 1995 \$45 billion agreement with Wells Fargo Bank of San Francisco, received the bank's assurance that it will meet the housing credit needs of rural Californians. Wells Fargo will continue to provide site development and construction loans for projects involving the FHmA and CHAFA as well as supporting self-help, or "sweat equity," housing projects.
- ◊ Norwest Bank in Iowa, in their 1990 agreement with Citizens for Community Improvement, agreed to provide \$16 million in new loans to agricultural producers. Fifty percent of this amount is targeted for farmers owning less than 500 acres and having a net worth less than \$150,000. Loans are available for crop production expenses, purchase of livestock and feed, purchase of machinery and equipment, land purchases and refinancing of existing debt. In addition, the bank agreed to restructure debt where restructuring is cheaper than foreclosure or forced liquidation. Specifically, the bank agreed to consider writing down the term of the loan, reducing the existing rate on the loan, extending the repayment period, and exercising forbearance.
- ◊ Bank of America renewed its commitment by making a 10 year, \$10 billion commitment to rural America and Indian Country. An important initiative will include outreach to rural California, Indian Country, and San Joaquin Valley/Tulare County. Bank of America will also streamline the process of granting FSA loans and establish a partnership with Rural Communities Assistance Corporation who will refer loans of \$1 million or more to Bank of America.

## BUILDING COMMUNITY CAPACITY

### Specific Loan Targets

Many community-based organizations (CBOs) are using CRA agreements as a method for building and strengthening the nonprofit sector in their communities.

### Support For Community Development Credit Unions (CDCUs)

CDCUs are member-owned and controlled nonprofit financial institutions that bring both credit and financial service to people and communities with limited access to mainstream financial institutions. Community groups have committed banks to support CDCUs in a number of ways.

- ◊ In the 1999 agreement involving New Jersey Citizen Action and the Affordable Housing Network, Sovereign Bank pledged to invest \$1 million over the next three years in alternative lending vehicles such as CDCUs, micro loan funds, and CDFIs.
- ◊ The East Harlem Coalition for Fair Banking (Brooklyn New York), in their 1990 agreement with Banco de Ponce, committed the bank to provide a \$100,000 deposit to the Union Settlement Federal Credit Union at five percent interest for two years.

#### **Support for Community Development Loan Funds (CDLFs)**

Community development loan funds are financial intermediaries that provide loans for housing and economic development projects of CDCs and other community-based organizations. In addition, some loans funds provide financing for the start-up, expansion, or acquisition of worker-, community-, and (in some cases) individually-owned businesses.

- ◊ Wachovia, in its 2006 agreement with the Greenlining Institute and the California Reinvestment Coalition, pledged to invest \$400 million in community development financial institutions and community development corporations.
- ◊ The Union Bank of California, in its 2005 agreement with the Greenlining Institute and the California Community Reinvestment Coalition, agreed to purchase loans, especially those under \$50,000 from community-based loan intermediaries. In addition, the bank will continue its ongoing programs for equity investment and low interest loans for community-based loan intermediaries.
- ◊ The Washington Reinvestment Alliance, in their 1993 agreement with Washington Mutual, committed the bank to assist in the creation of a pre-development state-wide loan fund for nonprofits based on LISC and/or Low-Income Housing Fund models. The bank agreed to provide at least \$300,000 over three years when the loan fund is established.

#### **Loans and Credit Lines to Community Development Corporations.**

Community development corporations (CDCs) are most often nonprofit community-based organizations dedicated to revitalizing distressed communities. They are engaged in a variety of activities including housing development, commercial revitalization, business financing and assistance, day care centers, job training and placement. A number of CRA agreements contain provisions committing lenders to loans and credit lines to CDCs.

- ◊ Wachovia, in its 2006 deal with New Jersey Citizen Action and the Housing and Community Development Network of New Jersey, pledged \$35 million in community development investments. Three million of this will go to the NJPLAN, which is a program administered by The Reinvestment Fund and \$10 million dollars will go to community development related credit needs.
- ◊ Regions and AmSouth banks, in their 2006 CRA commitment, agreed to provide \$10 billion to community lending and development projects.
- ◊ Wachovia, in its 2006 CRA agreement with the Greenlining Institute and the California Reinvestment Coalition, pledged to invest \$400 million in community development corporations and community development financial institutions.
- ◊ Bank of the West, in its 2005 pledge to the California Reinvestment Coalition, pledged \$5 billion for lending to organizations who serve individuals in low to moderate income census tracts that promote community economic development and revitalize low to moderate-income areas.
- ◊ As part of its agreement with New Jersey Citizen Action in 2004, PNC made financing commitments to the NJ Neighborhood Revitalization Tax Credit Program, the predevelopment of affordable housing projects, the PNC Grow Up Great Program for Head Start, and other community-based programs.
- ◊ As part of its 2003 agreement, Sovereign outlined a plan to improve its facilitation of CDC acquisition of bank-owned properties. This plan included sending lists of the properties to HCDN and NJCA, as well as making the properties available to CDC's at a discounted rate.
- ◊ Sovereign Bank committed \$3.6 billion in community investments for the years 2004 to 2008. Part of the agreement calls for a minimum of \$30 million to community development financial institutions, community development corporations, and equity loan pools.

#### **Grants to Community-Based Organizations:**

CRA agreements contain provisions committing lenders to provide grants to community-based organizations.

- ◊ Wachovia, in its 2006 agreement with New Jersey Citizen Action and the Housing and Community Development Network of New Jersey, pledged \$10 million in contributions and in-kind donations – \$3.5 million to community development activities – and \$3 million in scheduled grant disbursements.
- ◊ Bank of the West, in its 2005 agreement with the California Reinvestment Coalition, pledged \$100 million for community development grants in the areas of economic development, financial literacy, affordable housing and social services.
- ◊ In its 2005 pledge to the Greenlining Institute and the California Reinvestment Coalition, the Union Bank of California has agreed to commit 60% of its total charitable donation (2% of after tax net profit) to community based organizations, with priority given to housing and economic development organizations.
- ◊ Part of Citizens Bank's 2004 pledge to revitalize the city of Philadelphia included \$850,000 in grant money for "greening" projects with the Pennsylvania Horticultural Society. Also included is funding for technical assistance for small business and funding to fight predatory lending.
- ◊ In its 1997 agreement with the California Reinvestment Committee and the Greenlining Institute, Home Savings of America pledged to make charitable contributions of at least 2% of after tax income. At least 80 percent of this will benefit underserved communities. Home Savings will make at a minimum \$72 million of charitable contributions over the next 10 years.
- ◊ The Community Reinvestment Association of North Carolina, in its 1996 agreement with First Union Bank, has ensured that the bank will provide \$50,000 annually for three years in grants supporting community-based initiatives such as homeownership counseling, banking training, and assessing community needs.
- ◊ Sumitomo Bank of California, in its 1993 agreement with the Greenlining Coalition, agreed to make its best efforts to set aside two percent of its net income for philanthropic contributions, with two-thirds targeted toward "CRA type groups, including low- and moderate-income housing and minority economic development nonprofits."
- ◊ The Washington Reinvestment Alliance, in its 1992 agreement with Seafirst, committed the bank to allocate 10 percent of the Seafirst Foundation's budget to community development grants.

- ◊ The Community Reinvestment Association of North Carolina, in their 1991 agreement with First Citizens Bank and Trust Co., committed the bank to pledge a minimum of \$20,000 over two years for pre-development expenses of the Southeast Raleigh Community Development Corporation. In addition, the bank agreed to make a one-time grant of \$40,000 over two years and contribute over \$14,000 for the operating expenses of the NC Association of Community Development Corporations.

## BANKING SERVICES, BRANCH AND STAFF POLICIES

### Banking Services

A pervasive problem in low-income and minority neighborhoods is the lack of access to basic banking services. As a result, many communities are forced to use private check cashing outlets that often charge high fees. CRA agreements have committed banks to offer basic banking services at low cost to their communities.

**Offer Basic or Lifeline Checking:** Lifeline checking offers accounts with low, or no, fees and minimum balances.

- ◊ Comerica's 2000 pledge with the Detroit Alliance for Fair Banking includes several educational and financial literacy programs. For example, the bank's Youth Incentive Savings Program establishes about 40,000 student savings accounts annually.
- ◊ In its 1999 agreement, Citizens Bank established a goal of increasing its number of Basic Banking accounts 10 percent annually. It opened 10,604 of these accounts in 1998. Citizens' savings account will have a \$1 monthly service fee that will be waived if the customer maintains a balance of \$100 or more. The checking account will have a \$2.50 monthly fee that includes 12 or fewer transactions. Free savings and checking accounts will be available to children under the age of 18 and to seniors over the age of 62.
- ◊ In its 1999 agreement with MAHA, MACDC, and other community organizations, the new FleetBoston committed to open 42,000 new Basic Checking and Savings accounts over the next two years. The bank has pledged a \$250,000 marketing and technical assistance effort to inform and assist low- and moderate-income customers with attaining banking services.
- ◊ In its 1999 agreement with the Chicago CRA Coalition, Charter One Bank agrees to promote its "Totally Free Checking Account" in four workshops at its branches in low- and moderate-income neighborhoods in 2000 and in eight of these branches in each of the following two years.
- ◊ After its takeover of H.F. Ahmanson's Home Savings in 1998, Washington Mutual agreed to continue its Free Checking account which features unlimited check writing, no monthly service fee, and no minimum balance obligation, and no direct deposit requirements.

- ◊ The California Reinvestment Committee (CRC) and the Greenlining Institute, as part of their 1995 \$45 billion agreement with Wells Fargo Bank of San Francisco, committed the bank to offer low-cost checking services to low- and moderate-income individuals. A checking account will cost \$3.50 per month, or the equivalent of one dollar less per month than a standard checking account.
- ◊ With the help of New Jersey Citizen Action and the Housing and Community Development Network, PNC has committed to an enhanced free checking for low-and moderate- income customers in specific areas of New Jersey. Possible characteristics of this new product would be a free money order per month, limited overdraft fee waivers, and enhancements to the PNC Primary Access Account. The pilot product would also be linked to financial literacy.

**Establish Individual Development Accounts (IDAs):** IDAs are savings accounts designed especially for lower income populations. Banks and foundations provide matching dollars for every \$1 dollar saved by a low-income individual. The accounts can be used for funding home purchase, starting a business, or enrolling in an educational program.

- ◊ In its 2005 agreement with the Greenlining Institute and California Reinvestment Coalition, the Union Bank of California reported that they had developed an individual development account program through their CASH and SAVE banking institutions located in under-banked communities.
- ◊ In 1998, Fifth Third Bank agreed to establish an IDA program and contribute \$50,000 annually to it. California Federal Bank also agreed to establish an IDA program in its 1998 agreement with community organizations.

**Cash Government Checks:** CRA agreements have committed lenders to cash government checks for customer and noncustomers at no charge.

- ◊ During 2004, KeyBank significantly expanded the reach of its banking services in Cleveland. The new service named KeyBank Plus offers check cashing for payroll and government checks with an on-site financial education center for individuals in Cleveland's low-and-moderate income communities. Individuals using the check cashing service are not required to open a checking or savings account with KeyBank, which is a distinct departure from the traditional approach. These new services are being made in an effort by KeyBank to reach out to the portion of low- and moderate- income community that does not have checking accounts.
- ◊ The Maryland Alliance for Responsible Investment, in their 1986 agreement with the Maryland National Bank, committed the bank to cash U.S. Government, State of Maryland, and Baltimore City checks at no charge to customers and noncustomers of the bank.

### **Branch Policies**

Many low-income and minority neighborhoods have experienced widespread closure of bank branches in their communities. Without bank branches, underserved communities are cut off from access to credit and low-cost banking services. Consequently, many communities have used CRA agreements to reestablish a bank presence in their neighborhoods, stop bank branch closures, and improve the existing facilities in their communities. Below are some examples from CRA agreements.

### **Keep Office Open:**

- ◊ In its 1999 agreement with MAHA, MACDC, and other community groups, FleetBoston pledged to maintain its current ratio of branches in low- and moderate-income neighborhoods and branches in middle- and upper-income neighborhoods after divesting branches during its merger.
- ◊ The Chicago CRA Coalition persuaded Old Kent to promise not to close any branch in a low- and moderate-income community during the four year term of its agreement starting in 1999. The bank will not diminish the level of services at these branches during the agreement. The Chicago CRA Coalition convinced Charter One to maintain its current branch distribution mix between low- and moderate-income and middle- and upper-income communities through 20002.

- ◊ In the 1998 agreement with New Jersey Citizen Action and Philadelphia Association of Community Development Corporations, First Union National Bank agreed not to close any branches in low-and moderate-income neighborhoods for three years unless there was another branch within .3 miles (4 blocks) from a branch slated for closure. For any divestitures required by the Federal Reserve Board or the Department of Justice, First Union pledges that branch sales will not disproportionately affect the bank's branch network in lower income neighborhoods.
- ◊ The City of Cleveland, in their 1991 agreement with Society Bank, committed the bank to keep open for at least five years all full-service branches in the 23 neighborhoods currently served by the bank.

#### **Review the Closing of a Bank:**

- ◊ The California Reinvestment Committee (CRC) and the Greenlining Institute, as part of their 1995 \$45 billion agreement with Wells Fargo Bank of San Francisco, has committed the bank to maintain branch offices and mini-branches in low-income areas "to at least the same extent as (it) serves the general population."

#### **Improve a Bank Facility:**

- ◊ Bank of America, in their 1992 agreement with Southern Nevada Reinvestment and Affordable Housing Committee, agreed to maintain or enhance the existing level of service at or near low-income neighborhoods or census tracts.

#### **Open a Facility:**

- ◊ Between November 2003 and December 2005, JP Morgan Chase will open twelve new branches in low- and moderate- income census tracts in the Chicago area.
- ◊ As part of its 2002 commitment to Nevada and California, Citibank intends to open five financial centers in low-and moderate- income or majority minority communities over the ten-year commitment period.
- ◊ In 2000, U.S. Bank and the California Reinvestment Committee agreed that the bank will open three branches in low- and moderate-income areas of Los Angeles by 2002. If these branches are profitable, the bank will open 2 more in low- and moderate-income neighborhoods by 2004.

- ◊ The California Reinvestment Committee and the Greenlining Institute secured a commitment from California Federal to open four new branches in lower income and predominantly minority communities, including one in South Central Los Angeles, within two years after the bank's 1998 merger with Glendale Federal. The bank will also provide a 90-day branch closing notice to the community groups in cases where branches will be closed in low- and moderate-income neighborhoods or a branch will be consolidated with another branch located more than one half mile away. Cal Fed will consider alternatives to closure such as selling or donating the branch space to community organizations.
- ◊ The City of Cleveland, in its 1995 agreement with Huntington National Bank, has noted that the bank will maintain its previously opened full service branch facility in 1993 which serves low-income neighborhoods on the city's near-east side.

### **Bank Staff and Structure**

Community groups have also used CRA agreements to commit lenders to hire staff who are representative of the community, institute training programs to educate the staff on the special credit needs of low-income and minority individuals, and modify the structure of the bank to ensure compliance with the CRA.

**Hiring Policies:** The employees of banks in low-income and minority neighborhoods often are not representative of the communities they serve. In addition, bank staff may not be acquainted with the area of community development lending. This can be an obstacle to increased lending in distressed communities. Some CRA agreements have addressed these issues by committing banks to change their hiring policies or add new staff.

- ◊ In its 2006 agreement with the Greenlining Institute and the California Reinvestment Coalition, Wachovia revealed that a portion of senior leadership's compensation packages depend on how well they reach their diversity goals.
- ◊ In its 1999 agreement with the Detroit Alliance for Fair Banking, Michigan National Bank will maintain 3 loan officers in the City of Detroit for the purposes of making CRA mortgage loans.
- ◊ Bank of America, in their 1992 agreement with Southern Nevada Reinvestment and Affordable Housing Committee, agreed to place an affordable housing specialist in Las Vegas.

- ◊ The Community Reinvestment Association of North Carolina, in their 1991 agreement with First Citizens Bank and Trust, committed the bank to hire an experienced minority or female loan officer to serve the needs of minority-owned and operated businesses in the bank's service area.
- ◊ Florida Legal Services, in their 1985 agreement with First Union, agreed that each city office will have a lending resource person to assist bank lending officers, customers, and potential customers with Small Business Administration programs, Neighborhood Housing Services programs, Community Development Block Grant programs, state and county mortgage programs, and minority loan programs.

**Train Bank Staff:** Community groups have also committed lenders to train bank staff on meeting the credit needs of low-income and minority communities. Also, banks have made commitments to recruit staff from minority and working class communities.

- ◊ In 2000, Comerica pledged to the Detroit Alliance for Fair Banking that its college internship programs will set a goal of 50% of the interns being minority. Likewise, its Summer Business Education Program for local high school students will aim for a 70% minority representation.
- ◊ The Pittsburgh Community Reinvestment Group, in their 1990 agreement with the Union National Bank, committed the bank to provide community development training for all newly hired, promoted, or acquired managerial or lending employees. The bank agreed to use the Development Training Institute for this purpose.

**Bilingual Initiatives:** In communities where English is not the prominent language, banks have committed to hire staff that reflect the varied languages spoken in the community.

- ◊ The Fair Lending Coalition, in their 1991 agreement with Norwest Bank, committed the bank to hire and train bilingual staff at all branches where language barriers might pose an impediment to customer service.
- ◊ The Community Reinvestment Association of North Carolina, in its 1996 agreement with First Union Bank, has committed the bank to target the state's 250,000 Hispanic customers by regularly meeting with community leaders, producing bank literature in Spanish, promoting and expanding its bilingual ATM system, and supporting Hispanic community events.

**Diversify Board:** Some lenders have committed to appoint women or minorities to the board.

- ◊ Native Action and other Northern Cheyenne Reservation organizations, in their 1992 agreement with First Interstate, committed the bank to maintain at least one Northern Cheyenne Tribal member as a board member.

## NEEDS ASSESSMENT, MARKETING AND OUTREACH, AND ACCOUNTABILITY TO THE COMMUNITY

### Credit Needs Assessment

To ensure that a lender is offering loan products and services that are most appropriate to the specific credit needs of a community, many CRA agreements contain commitments by lenders to conduct a needs assessment of the community.

- ◊ The Union Bank of California, in conjunction with its 2005 agreement with the Greenlining Institute and the California Reinvestment Coalition, conducted a formal community needs assessment to assure the bank addressed community needs in an effective manner.
- ◊ The D and N Savings Bank, in its 1990 agreement with the Flint Coalition for Fair Banking Practices (Michigan), agreed to pay 20 percent of the costs of a multi-lender credit needs assessment of low- and moderate-income areas in Flint.

### Marketing Outreach

CRA agreements contain provisions committing lenders to increase their marketing and outreach efforts to encourage low-income and minority individuals to apply for loans. Often the marketing strategies are designed to promote programs agreed to in CRA agreements.

**Advertising:** Lenders have committed to advertise in newspapers, radio, and television stations that attract a large low-income and minority audience.

- ◊ In its 2005 pledge to the Greenlining Institute and the California Reinvestment Coalition, the Union Bank of California agreed to conduct sufficient marketing in its assessment areas to ensure sufficient community awareness of the CRA Commitment. In addition, the bank agreed to routinely conduct assessment area surveys to ensure the bank remains cognizant of the specific needs of each assessment area.

- ◊ In its 1999 agreement, First Union agreed to develop an annual marketing plan in conjunction with the Community Reinvestment Association of North Carolina and the Institute for Minority Economic Development.
- ◊ In its 1998 agreement with SENSES, Evergreen National Bank committed to use print and radio media once every quarter to reach minority and working class audiences. The bank will also display product brochures in nonprofit counseling agencies.
- ◊ In 1997, the Pittsburgh Community Reinvestment Group and ESB Bank agreed to expand the bank's marketing and outreach to traditionally underserved communities. In addition to advertisements in community newspapers, the lender will meet with ministers of African-American churches and conduct credit counseling and other seminars in schools, libraries, and other public meeting places.
- ◊ The Fair Lending Coalition, in their 1992 agreement with Valley Bank, committed the bank to provide culturally-sensitive marketing to all segments of the community (e.g., Spanish, Hmong, and Laotian).

**Call Programs:** Many CRA agreements contain provisions committing lenders to create or increase calling programs to brokers and realtors that operate in low-income and minority neighborhoods. In addition, some lenders have increased calling programs to small and minority businesses.

- ◊ D and N Savings Bank, in their 1990 agreement with the Flint Coalition for Fair Banking Practices (Michigan), agreed to develop an intensified calling program for realtors that serve low- and moderate-income and minority neighborhoods.
- ◊ The Detroit Committee for Responsible Investment, in their 1989 agreement with Comerica Bank, committed the bank to expand its calling program to home improvement dealers in the City of Detroit with the target of adding one home improvement dealer a month to its roster of clients. In addition, the bank agreed to hire an additional business development representative to expand its realtor calling program.

**Seminars and Trainings:** Conducting seminars and trainings that explain a bank's credit programs and application procedures is another common provision in CRA agreements.

- ◊ Wachovia, in its 2006 agreement with the Greenlining Institute and the California Community Reinvestment Coalition, committed to \$2 million for pre and post-loan training and other technical Assistance.

- ◊ In its 2006 agreement with the Greenlining Institute and the California Reinvestment Coalition, Wachovia pledged to commit to holding a minimum of 10 "Expanding Homeownership Opportunity Sessions" to provide product education to community based non-profits. The bank also pledged \$1 million over ten years to financial literacy efforts for at-risk customers.
- ◊ The Delaware community Reinvestment Action Council (DCRAC), in a 1996 agreement with Wilmington Savings Fund Society, FSB (WSFS), committed the bank to providing \$90,000 over three years for homeownership counseling programs.

**Marketing Through Community Groups:** To increase a community's awareness of bank products and services, some banks have agreed to market their products through community organizations. Community organizations are compensated for providing this service.

- ◊ Communities United Action, in their 1989 agreement with Provident Bank, committed the bank to provide up to \$25,000 in grants to neighborhood groups willing to assist Provident in its marketing efforts.
- ◊ The City of Cleveland, in its 1995 agreement with Huntington National Bank, committed the bank to making financial services available to members and clients of local community organizations. By using these organizations the bank can better meet the housing and business credit needs of low- and moderate-income people.

**Create New CRA Position:** Some CRA agreements call for the creation of a liaison position to work with community groups.

- ◊ In its 1998 agreement with CRC and the Greenlining Institute, Washington Mutual agreed to establish a community reinvestment office in the Los Angeles area.
- ◊ Bank of America, in its 1992 agreement with the California Reinvestment Community, agreed to appoint a liaison to the community on fair housing issues. The person's responsibilities include monitoring the bank's progress in fair lending, identifying bank lending practices that may work against the achievement of fair housing objectives, and working with other bank units to develop methods to overcome any existing impediments.

## **Accountability and Community Participation**

To ensure that commitments by lenders in CRA agreements are followed, CRA agreements often contain provisions establishing review boards, regular meetings between community groups and lenders, and disclosure of loans by lenders.

### **Review Board and/or Meetings:**

- ◊ PNC's new Community Committee consists of those chosen by PNC as well as New Jersey Citizens Action and the Housing and Community Development Network, with no more than a total of 4 PNC representatives on the committee. The ultimate goal of the committee is to identify opportunities to meet the needs of low-and moderate-income customers. The bank will also report to the Committee on the progress it has made on fulfilling its commitments in the rest of the 2004 agreement. Reports will be disseminated on a quarterly basis to NJCA and HCDN, as well as the Committee. These reports will include lending information that goes beyond what is found in traditional HMDA data, and PNC promises to present the data in a "user friendly" format.
- ◊ As part of its 2003 CRA agreement Charter One Bank will provide semi-annual progress reports which will culminate as meetings with the Chicago CRA Coalition. The Coalition will also have input into the spending of \$9 million (over a period of 3 years) in community development investments.
- ◊ The Delaware Community Reinvestment Action Council in its 1996 agreement with Wilmington Savings Fund Society, FSB established a Monitoring Committee to review, evaluate, and suggest modifications in the commitment and to discuss strategies to identify and reach its target population.

### **Reports and Disclosure:**

- ◊ In its 1998 agreement, First Union pledged to address issues related to credit scoring. In quarterly advisory council meetings, the bank will provide data on income levels, underwriting characteristics, property condition, and other risk factors. The bank will provide average credit scores for each of its products. First Union will consider funding research on delinquency issues. In connection with its purchase of the Money Store, First Union will provide information on defaults by loan product and by the census tract locations of the defaults.

- ◊ Bank of America, in its 1992 agreement with Southern Nevada Reinvestment and Affordable Housing Committee, agreed to track and disclose the number and the dollar amount of originations for minority and female-headed small business loans, and SBA guaranteed loans in rural and distressed areas.

**Automatic Renewal:**

- ◊ Citizens Bank, in its 1999 agreement with the Massachusetts Association of Community Development Corporations, states that it will honor its pledge in the event that it is acquired by or merges with another bank.
- ◊ NBD Bank, in its 1998 agreement with the Detroit Alliance for Fair Banking, stated that the goals and objectives of its three-year, \$3 billion commitment will be automatically renewed after the termination date of December 2001 until the parties negotiate a new agreement.
- ◊ New Jersey Citizens Action and Broad National Bank agreed in 1998 that the bank would increase committed dollar amounts in proportion to assets in any merger with another bank over \$1 billion in assets during the life of the agreement.