Partnerships and Opportunities for Rural Community Reinvestment

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HOUSING ASSISTANCE COUNCIL
MARCH 16, 2016
Outline

- CRA-related community development rural context
- Rural community development project examples
  - Important factors
  - In Depth: Coastal Kids Preschool
Rural CRA-related Projects

- Rural community development projects which earn lenders CRA credit are limited

- Small asset banks, a majority of which have substantial rural assessment areas, are not tested on community development/investment.
“In light of these uncertainties, some observers noted that banks tended to take the safe route and concentrate their community development activities where CRA consideration would be assured. In many cases that will leave CRA activities concentrated in metropolitan areas where banks’ assessment areas are located.” (Remarks Thomas J. Curry, Comptroller of the Currency, March 12, 2014)
FDIC-Insured Lenders 2014 by Estimated Rural Assessment Area Population and Asset Size

<table>
<thead>
<tr>
<th>Bank Type</th>
<th>Median Rural Population</th>
<th>Mean Rural Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Bank</td>
<td>56.4%</td>
<td>53.9%</td>
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<tr>
<td>Intermediate, Small Bank</td>
<td>7.6%</td>
<td>24.3%</td>
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<tr>
<td>Large Bank</td>
<td>2.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Location</td>
<td>Organizations</td>
<td>Lenders</td>
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<tr>
<td>Damariscotta, ME</td>
<td>Genesis Community Loan Fund</td>
<td>Bath Savings Institution</td>
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<tr>
<td>Fort Morgan, CO</td>
<td>Community Resources &amp; Housing Development Corp.</td>
<td>Wells Fargo</td>
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<tr>
<td>Buffalo, MN</td>
<td>Podawiltz Development Corporation</td>
<td>Bremer Bank</td>
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<tr>
<td>Terry, MS</td>
<td>Hope Enterprise Corporation/Hope Credit Union</td>
<td>Regions Bank</td>
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</tbody>
</table>
Common Elements

- Relationships between local organizations and banks
- Bank staff understanding of community lending
- Knowledge of funding streams
- Bank philosophy
Coastal Kids Preschool Project

Jane Irish
Director of Development
Genesis Community Loan Fund
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More Information

- HAC report: “Making CRA Work in Rural America: Partnerships and Opportunities for Rural Community Reinvestment”

- Upcoming Webinar. April 13th. “Identifying Outstanding Lenders and Increase CRA Related Activity in Rural Communities”

- Federal Financial Institutions Examination Council (FFIEC) website: https://www.ffiec.gov/cra/default.htm