The CRA’s Impact: Real-life Examples of How Banks Foster Community Development

By Timothy R. Burniston

The Community Reinvestment Act was enacted over 40 years ago with the dual purpose of preventing the practice of redlining, while also encouraging banks to meet the credit needs of all segments of their communities, including low-to-moderate income (LMI) neighborhoods and individuals. As the industry looks at ways of modernizing the CRA regulations to keep pace with significant changes in banking, the CRA’s fundamental tenets continue to be embodied in a variety of innovative, inspiring ways by banks large and small.

According to the National Community Reinvestment Coalition, since 1996 the CRA has helped bring nearly $2 trillion in small-business and community-development bank loans to underserved areas. This connection between banks and the communities in which they do business is demonstrated over and over by successful programs, several of which have been recognized at the CRA & Fair Lending Colloquium. Wolters Kluwer launched the Colloquium in 1996 in the aftermath of the last major regulatory rewrite of the CRA regulations. The annual event brings together federal regulators, CRA and compliance officers, and other industry experts to share insights on navigating the complex, ever-evolving regulatory compliance and risk management issues facing financial institutions.

Discussion of financial institutions’ challenges and successes in recognition of their CRA obligations around community development has been central to the Colloquium agenda throughout its 22 years. The Colloquium provides an ideal forum for celebrating meaningful contributions to community development through the Community Impact Award. Created in 2004, the award recognizes financial institutions for the breadth of their positive economic impact in supporting LMI communities, and their innovative application of community development programs where they do business.

Following is a sample of some recent award winners recognized for their community development initiatives:

- Eastern Bank won in 2018 for its Business Equity Initiative program, which aims to lessen the wealth and income inequality in the Boston area by helping accelerate the growth of minority-owned businesses and increase job opportunities and wealth creation in surrounding neighborhoods. The initiative builds an ecosystem that leverages Eastern’s networks and philanthropic dollars, while providing minority-owned enterprises with specifically designed growth tools including trusted strategic advisors, operational support, growth capital, and expanded access to supplier and corporate procurement opportunities.

- Citizens National Bank of Meridian, Miss., was recognized in 2018 for its Power of Local Community Development Program, which helps the unbanked and underserved in their community establish credit, improve credit scores, and secure affordable home loans. In 2018, Citizens National Bank invested nearly 200 hours in one-on-one credit counseling sessions and financial education workshops, provided small loans to more than 500 individuals looking to build their credit scores, and originated 28 home loans to applicants who were either seeking to purchase property in a distressed or underserved census tract, or whose annual household income fell within the low- to moderate-income range, based on HUD guidelines.
Old National Bank of Evansville, Ind., won in 2017 for its “12 Steps to Financial Success” program, which provides much-needed financial education and financial literacy resources to members of the communities the bank serves, with a particular focus on the most at-risk members. The program began in 2014 to help incarcerated female inmates in Western Kentucky re-enter society as more educated and financially responsible citizens. Today, the program also includes courses geared toward the financial education needs of homeless veterans.

“While many of the communities we serve are among the poorest in the country, our vision is to assist our customers in creating a personal financial plan that enables them to achieve their dreams,” said J. Scott Sills, chief marketing officer at Citizens National Bank. “We are passionate about serving others, and what better way than to give a helping hand to those who need it the most.”

These examples and countless others demonstrate and reaffirm that the spirit of the CRA is alive and well. The law continues to inspire banks to create innovative solutions that address community development issues, solutions that result in lasting, meaningful differences.

**Editor's note:** Nominations are now being accepted for the 2019 Community Impact Award. Visit the Awards page on the CRA & Fair Lending Colloquium website, [www.cracolloquium.com](http://www.cracolloquium.com).

**About the author:**
Timothy Burniston joined Wolters Kluwer in 2011 to lead the company’s Risk & Compliance consulting practice. In 2017 he was named senior advisor, regulatory strategy, to advise clients on challenging risk and regulatory compliance issues and serve as a senior advisor to Wolters Kluwer GRC leadership on matters pertaining to regulatory strategy.

He draws upon his 35-plus years leading compliance examination programs at the Federal Reserve Board (Fed), Federal Deposit Insurance Corporation (FDIC) and Office of Thrift Supervision (OTS). While with the Fed, he was tapped by the U.S. Department of the Treasury to help develop the new Consumer Financial Protection Bureau’s large depository institution examination program, monitoring and evaluating its consumer compliance examination and fair lending enforcement programs.

He is a Certified Regulatory Compliance Manager (CRCM) and served on the CRCM Advisory Board of the Institute of Certified Bankers. He can be reached at [Timothy.Burniston@wolterskluwer.com](mailto:Timothy.Burniston@wolterskluwer.com).