

CRA Modernization

Meeting Community Needs and Increasing Transparency



American
Bankers
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The June 12 Treasury [Report](#) to the President on Core Principles for Regulating the United States Financial System identified regulation and supervision associated with the Community Reinvestment Act of 1977 (CRA) as one area ripe for review in accordance with the goals of promoting economic growth, simplifying compliance requirements, and improving the transparency of the supervisory process.

The American Bankers Association (ABA)¹ agrees that regulators should undertake a comprehensive review of the CRA regulations and the interagency FAQs.² In that context, we present for consideration by the Secretary of the Treasury a series of **Problems** followed by **Recommendations** for improving CRA's regulatory framework. They are grounded on the following principles:

- **Commitment to CRA Objectives.** Banks, savings associations, and other financial firms should serve the financial services needs of all demographics within their communities, consistent with safe and sound banking.
- **Promote Economic Growth.** Policymakers should broaden the concept of community and economic development and should address regulatory-driven practices that result in inflated pricing for community development opportunities.
- **Transparency.** Regulators should not adopt new policy or interpretations without consultation with the institutions that they regulate. Likewise, agencies should clearly explain the factors that examiners take into consideration when analyzing CRA performance and evaluating applications associated with CRA compliance.
- **Predictability.** Banks should have certainty as to whether a loan, investment, or service will obtain positive CRA consideration, particularly as it relates to community development activity.

¹ The American Bankers Association is the voice of the nation's \$17 trillion banking industry, which is composed of small, regional, and large banks that together employ more than 2 million people, safeguard \$13 trillion in deposits, and \$9.6 trillion in loans.

² Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Guidance, 81 Fed. Reg. 48506 (July 25, 2016).

- **Consistency.** Regulators should improve coordination to ensure consistent policy, regulatory interpretations, and documentation standards.
- **Simplicity.** CRA documentation and reporting requirements are overly complicated and should be streamlined.

I. Align CRA Resources with Actual Community Needs

A. Projects that Benefit All Residents of a Community

Problem. When evaluating a bank’s CRA performance, examiners consider a bank’s loans, qualified investments, and delivery of financial services to low-and moderate-income (LMI) individuals. Each of these tests has a community development component.³ Many opportunities to participate in community development initiatives that would benefit a bank’s *entire* community—such as financial literacy instruction and financing the construction of infrastructure and community service establishments such as hospitals—do not receive community development credit. That is because current regulatory practices only recognize such initiatives if they are “targeted to” LMI individuals or have benefits of revitalizing or stabilizing disaster areas or underserved or distressed middle-income areas.⁴

This overly restrictive approach to community development excludes many activities that are central to the economic viability and vitality of small towns. Many of these communities are dealing with anemic economic growth or the loss of a key industry. Credit for such projects would clearly be within the purpose of the CRA in meeting local needs and should be fully cognizable in CRA reviews. A similar issue is presented by the Q&A’s narrow description of “economic development.”

The overly restrictive concepts of community and economic development have created geographies where banks have limited opportunities to obtain community development credit. As a result, these areas can experience artificial competition for community development loans and investments, the terms of which are inconsistent with costs and risk and which can price local lenders out of the markets in their own geographies. This distorts pricing, which in turn means that banks have fewer funds to invest in initiatives that create economic growth and improve the lives of individuals in the broader community as well as LMI neighborhoods. The result is less—not more—community development.

³ Community development includes affordable housing; community services targeted to LMI individuals; activities that promote economic development by financing business and farms that meet specified requirements; and activities that revitalize or stabilize LMI geographies, disaster areas, or distressed or underserved nonmetropolitan middle-income areas. 12 C.F.R. § 228.12(g).

⁴ *Id.* See also Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Guidance, 81 Fed. Reg. at 48525 & 48528 (citing §__12.(g)-1 and §__12(h)-8).

Recommendation. Policymakers should revisit the definitions of community and economic development to recognize bank efforts to fund projects that benefit the entire community, including LMI individuals and neighborhoods. In addition, regulators should update the interagency Q&A to expressly provide that infrastructure loans and investments qualify for community development credit if there is any LMI benefit. Similarly, financial education services should be given community development credit.

B. Credit for Out of Assessment Area Activities

Problem. Distorted markets for community development credit can also be driven by factors other than regulatory limits on what constitutes community development. For example, banks planning mergers or acquisitions aggressively pursue community development credit to avoid regulatory approval delays caused by negative community group comments on a proposed application. Additionally, there is a lack of community development opportunities in certain parts of the county within reasonable reach of community banks. This can further draw lending out of a bank's CRA assessment area.

Recommendation. Banks with a rating of Satisfactory or better on their previous CRA Performance Evaluation (PE) should receive positive CRA consideration for community development lending activities (more broadly defined) outside of their assessment area. While banks should not be required to engage in community development outside of their designated assessment areas, public policy should recognize efforts by banks to provide funding in areas that have a demonstrated need.

C. Accurately Track the Community Development Impact of Small Business Lending

Problem. For multiple reasons, it is doubtful that the current CRA framework accurately captures the extent to which banks are financing community and economic development that is tied to small business lending. Accordingly, the CRA regulations and reporting requirements pertaining to small business loans need to be revised.

First, a loan that meets the definition of a small business loan must be reported as such. A bank may *not* choose to report it as a community development loan *even if it has a community development purpose*.⁵ As a result, community development loans are being undercounted.

Second, a related issue involves loans to nonprofit organizations that are secured by real estate. These loans must be counted as small business loans—and not as community development

⁵ Federal Financial Institutions Examination Council, [A Guide to CRA Data Collection and Reporting \(2015\)](#), p. 10.

loans—even if the loan has a community development purpose. By contrast, loans to nonprofits that are not secured by real estate *may* be counted for community development credit. A bank’s credit decision to require collateral should not be a determining factor as to whether a loan qualifies for community development credit.

Third, the CRA rule contains multiple definitions of loans to small businesses.⁶ These inconsistencies add unnecessary complexity to the CRA regulations. More importantly, the community development test’s \$1 million gross annual revenue cap excludes many loans to small businesses in high-cost areas from being classified and reported as community development loans.

Recommendation. *Banks should have the option of classifying small business loans with a community development purpose as a community development loan or as a loan under the general lending test. This would allow for more accurate tracking of the impact that banks are having in their communities.*

In addition, regulators should conduct a comprehensive review of CRA regulations, interagency Q&A, and reporting requirements related to small business loans and community development credit to create a single definition of what it means to finance loans to small businesses for purposes of CRA. One option would be to align the definition of “community development” with the general definitions section of CRA as well as the Call Report.

D. Volunteer Service

In addition to meeting the definition of “community development,” community development services must be related to the provision of financial services.⁷ The interagency Q&A explains that this is limited to the provision of financial expertise, such as credit counseling, financial planning, or other types of financial education. In addition, services reflecting an employee’s role at the bank, such as human resources, information technology or the provision of legal services, will receive positive CRA consideration. Volunteer activities that do not involve employees’ financial or job-related expertise are not a community development service.⁸

⁶ A small business loan means a loan included in “loans to small businesses” as defined in the instructions for preparation of the Call Report. The Call Report defines such loans as loans with an *original amount* of \$1 million or less. Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Guidance, 81 Fed. Reg. at 48530 (citing 12 C.F.R. § __ 12(v)). Community development activities include “activities that promote economic development by financing businesses or farms that meet the certain eligibility standards established by the Small Business Administration (the SBA)(13 C.F.R. § 121.301) *or* that have *gross annual revenues* of \$1 million or less.” *Id.* at 48526 (citing 12 C.F.R. § __.12(g)(3)).

⁷ *Id.* at 48530 (citing 12 C.F.R. § __.12(i)).

⁸ *Id.* (citing § __.12(i)-1 and § __.12(i)-3).

These restrictions artificially limit a bank's options for addressing needs in its community. For example, banks are unable to receive positive CRA consideration for volunteer hours to construct a home sponsored by Habitat for Humanity.

***Recommendation.** The Q&A should provide positive CRA consideration for volunteer service with a community development purpose; credit should not be limited to providing technical assistance or financial education. This approach would broaden the scope of benefits that banks provide and would empower them to deploy CRA resources to meet the unique community development needs of their communities.*

II. Reflect Changes in Technology, Consumer Preferences, and the Business of Banking

A. Determination of Assessment Area

Problem. The CRA regulations require that a bank delineate one or more assessment areas within which regulators will review the bank's CRA performance. The assessment area must include the institution's main office, its branches, and its deposit-taking ATMs, as well as surrounding geographies in which the institution has originated or purchased a substantial portion of its loans. Examiners consider a bank's delineation of its assessment area during a CRA examination. However, increasingly, examiners are disregarding a bank's assessment area and are themselves defining the area that they assert the bank should serve.

***Recommendation.** A bank's size, strategy, and business model are relevant considerations as the bank determines the appropriate geography of its CRA program. Therefore, a bank—not an examiner—should define its assessment area based on the market that it can reasonably serve.*

B. Credit for Alternative Delivery Systems

Problem. The interagency Q&A describes how examiners evaluate banks under the service test, including how examiners assess alternative systems for delivering retail products and services. Examiners are to consider alternative delivery systems to the extent that they are effective alternatives in providing needed services to low- and moderate-income areas and individuals.⁹ The Q&A also lists several factors examiners may consider in making this determination. In spite of these clarifications, there is significant inconsistency in the CRA credit that banks receive for providing digital services, particularly as it relates to LMI customers.

⁹ *Id.* at 48542 (citing § __.24(d)-1).

Recommendation. *Alternative delivery systems should not need to be tailored to LMI customers in order to receive positive CRA consideration. Rather, the focus should be on whether a bank's LMI customers utilize these delivery channels. Public policy should place less emphasis on brick-and-mortar locations and more emphasis on how consumers prefer to conduct their banking in the digital age. Regulators should provide additional examiner training to address inconsistencies on this point.*

C. In/Out Ratio

Problem. One aspect of the lending test examines the percentage of a bank's home mortgage, small business, small farm, and consumer loans located in the bank's assessment area as compared to the percentage of loans located outside of the assessment area (the in/out ratio). However, there has been limited transparency regarding how examiners interpret a bank's in/out ratio.

Recommendation. *CRA examination procedures should explain the factors that examiners consider when evaluating the in/out ratio and should emphasize that the in/out ratio is one factor in a bank's lending test rating; it should not be the only factor and should not be based on a rigid percentage. Examiners should receive additional training on how to apply the performance context when analyzing the in/out ratio.*

D. Specialized Banks with Non-Traditional Business Models

Problem. Banks define their assessment areas based on counties, metropolitan statistical areas (MSAs), or other geographies surrounding their offices. This assessment area concept works well for traditional banks; however, it is not always appropriate for special-purpose credit card, wholesale, or some internet banks.

Recommendations. *A specialized bank (i.e., wholesale, limited purpose, or internet bank) should have the option to demonstrate that its lending reflects its customer base and its limited presence in the geographic assessment area. Accordingly, an internet bank should have the option to receive positive CRA consideration for community development loans and services more broadly if the bank has adequately addressed the needs of its geographic assessment area. This would harmonize the treatment of internet banks with wholesale and limited purpose banks.*

Internet banks should have the option of serving markets outside of their geographic assessment area; doing so, however, should not be a requirement. While many specialized banks are household names, not all banks that engage in lending activities around the nation are "large" in terms of asset size. There are small internet banks that originate loans to customers distributed around the country, but such banks do not have the capacity or the relationships to engage in investments and community development lending throughout the nation. For this

reason, policymakers should retain the assessment area concept but provide specialized banks the flexibility to engage in CRA activities outside of the geographic assessment area; doing so should not be a requirement. A bank's size, strategy, and business model will be key to determining whether a bank elects to engage in activities outside of its geographic assessment area.

E. CRA Public File

Problem. The CRA regulations specify information that a bank must maintain in its public file, including written comments from the public regarding the bank's CRA performance; the bank's PE report; a list of the bank's branches; a list of branches opened or closed; a list of services, hours of operation, loan and deposit products, transaction fees, and descriptions of material differences in the availability or cost of services at particular branches; a map of each assessment area; and certain loan data. Banks must make the CRA public file available to the public upon request.¹⁰ This requirement is outdated and does not reflect the fact that much of the information in the public file is now publicly available via the internet.

Recommendation. *Banks should not be required to repeat in the public file information that is available online. This includes PE reports, branch locations and addresses, and HMDA and CRA disclosures. Banks should be permitted to replace this information with a notice in the public file that directs interested persons to the appropriate website containing the information.*

III. Increase Certainty and Transparency Regarding Regulatory Interpretations and Standards

A. Predictability of CRA Credit for Community Development Activities

Problem. Some banks have been able to obtain feedback from their examiners as to whether a proposed loan, investment, or service will receive positive CRA consideration, while other banks have not. In some situations, banks have invested considerable time and resources in community development initiatives only to learn—sometimes years later (at exam time)—that the activity will not receive community development credit. This approach is fundamentally flawed and leaves banks with the impression that examiners are playing a game of “gotcha.” Other times, banks have elected to forego participation in an activity that is innovative or complex because community development eligibility is unclear—an outcome at odds with the goals of CRA.

Recommendation. *To encourage community development activities and support bank engagement in innovative projects, regulators should establish a process whereby banks may*

¹⁰ *Id.* at 48555 (citing 12 C.F.R. § __.43).

request confirmation of community development eligibility in advance. The timeliness of the regulatory response will be critical to the success of this process.

B. Partnership With Nonprofit Organizations

Problem. There is significant inconsistency across and within agencies as to (1) whether banks will receive positive CRA consideration for partnerships with nonprofit organizations and (2) the documentation necessary to receive credit for such activities. In many cases, these inconsistencies appear to be driven by internal agency guidance that regulators have not made publicly available (see Section IV.A. for further discussion related to internal agency guidance).

Some examiners require extensive documentation and analysis demonstrating how a nonprofit meets the needs of LMI individuals. In many cases, these requests for documentation appear to exceed significantly the examples provided in Q&A § __12(g)(2)-1 for determining whether community services are “targeted to” LMI individuals. Responding to these requests consumes scarce resources and may not even be possible, because many nonprofits do not collect data on the income of the individuals that they serve. In other examples, examiners have declined to provide positive CRA consideration for bank sponsorship of fundraising events hosted by nonprofit organizations whose mission is to assist LMI individuals.

Recommendation. *To promote consistency, transparency, and simplicity, the interagency Q&A should specify that supporting documentation describe the community development mission of the nonprofit organization and how its services will be deployed. Extensive documentation should not be required.*

Likewise, the Q&A should provide that banks will receive positive CRA consideration for sponsoring fundraising events hosted by nonprofits whose mission is to assist LMI individuals. Such events are designed to raise additional monies to advance the services that the nonprofit provides and are therefore important to the concept of community development.

C. Reclassification of Census Tracts

Problem. Between 2016 and 2017, approximately 30% of census tracts changed income classifications due to updated demographic data.¹¹ These reclassifications have the potential to

¹¹ See analysis by [GeoDataVision](#). In 2012, the FFIEC began to utilize data from the Census Bureau’s American Community Survey to determine whether census tracts should be designated as low-and moderate-income for purposes of assessing a bank’s CRA compliance. The following year, the Office of Management and Budget (OMB) published a new set of definitions for Metropolitan Statistical Areas (MSAs) and Metropolitan Divisions (MDs). Many census tracts previously designated as low-and moderate-income have been reclassified as middle or upper income due to new data from the American Community Survey as well as changes to OMB’s new definitions for MSAs and MDs.

impact significantly a regulator's evaluation of whether a bank is adequately serving its assessment area. To date, however, the banking agencies have not explained how CRA performance will be evaluated in light of these changes.

Recommendations. *Banks should not be penalized because of changes in census tract designations or because of non-disclosed changed regulatory expectations based upon the data. In particular, banks should not be penalized by the reclassification of an LMI census tract to a middle income tract. Likewise, banks should not be expected to reallocate branch distributions in response to dramatic swings in census tract designations. Regulators should update the interagency Q&A and/or the interagency examination procedures to specify that, in these situations, examiners should focus on a bank's performance context, including the bank's true ability to reach the LMI demographic in those areas based on the bank's existing branch network and the deployment of other mechanisms for delivering products and services, such as mobile and online banking utilization by LMI individuals and ATM and ITM locations.*

The re-designation of census tracts also has the potential to impact negatively a bank's community development performance. Community development loans can take years to identify, underwrite, and close. If a census tract is designated as LMI at the time underwriting begins, the bank should receive positive CRA consideration even if the census tract is reclassified by the time of loan closing.

D. Peer Comparison

Problem. During CRA examinations, examiners consider a bank's performance context, which consists of the economic, demographic, and institution- and community-specific information that is relevant to understanding a bank's CRA performance.¹² When analyzing a bank's performance context, examiners also compare a bank's CRA activities to the performance of similarly situated lenders. In some cases, examiners request a bank to identify its peer institutions. In other situations, examiners determine the bank's peers. In virtually all instances, however, regulators provide little transparency regarding the institutions which they are comparing.

Recommendation. *The interagency examination procedures should specify that banks—not examiners—identify their peers for purposes of CRA performance. Consistency in asset size, business models, and loan products offered is key to an accurate and meaningful peer comparison and understanding of a bank's performance context.*

¹² Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Guidance, 81 Fed. Reg. at 48535 (citing §_.21(b)-1).

E. Affordable Housing

Problem. Banks will receive community development credit for activities that promote affordable housing (including multifamily rental housing) for LMI individuals.¹³ However, there is inconsistency across and within agencies as to how to calculate whether housing is affordable. In fact, acceptable formulas for determining affordable rents may vary from one examination to the next, depending on the examiner's preference.

Recommendation. *Regulators should update the interagency Q&A to document acceptable methodologies and formulas for determining affordable rents.*

F. Strategic Plan

Problem. A bank may apply to its primary federal regulator to be evaluated under a strategic plan. The strategic plan option provides a bank with the opportunity to tailor its CRA objectives to the needs of the community and to its own capacities, business strategies, and expertise. Banks with strategic plans benefit from greater certainty regarding the adequacy of their CRA activities. However, many institutions have elected not to pursue a strategic plan, because there is a perception that regulators *discourage* the strategic plan option. The time and red tape associated with having a strategic plan approved, amended, or re-approved also deters banks from undertaking a strategic plan.

Recommendations. *The strategic plan option should be preserved, and regulators should not directly or indirectly discourage banks from pursuing a strategic plan.*

Regulators should provide detailed information regarding the factors considered when evaluating a strategic plan. In particular, regulators should provide transparency regarding the weight that public comment carries in strategic plan approval. Any such guidance should be public and should emphasize that there is no regulatory requirement or expectation that banks enter into an agreement with a community group in order for the strategic plan to be approved.

Regulators should help banks understand how to draft a strategic plan. Currently, regulators do not provide guidance on the merits of a proposed strategic plan or on the adequacy of measurable goals.¹⁴ This approach does not facilitate the development of strategic plans that will receive regulatory approval.

¹³ *Id.* at 48525 (citing 12 C.F.R. § __.12(g)(1)).

¹⁴ "...the Agencies' guidance during plan development and, particularly, prior to the public comment period, will *not* include commenting on the merits of a proposed strategic plan or on the adequacy of measurable goals" (emphasis added). *Id.* at 48546 (citing § __.27(c)-1).

Banks with strategic plans should not be discouraged from making longer term loans and investments and should receive CRA credit for prior period loans and investments. Long-term investments can be more impactful to community development than short-term revolvers, depending on conditions.

Regulators should streamline the process for amending the strategic plan. A strategic plan that is up for renewal should normally be approved absent significant change in a bank's strategy or business model.

IV. Improve the Supervisory Process

The banking agencies are working to update the interagency CRA examination procedures. These revisions will include a special emphasis on the performance context. ABA strongly supports this effort and recommends that the agencies wait to finalize the updates until Treasury publishes its recommendations for modernizing CRA. We also offer the following recommendations for improving the CRA supervisory process, many of which could be incorporated into the revised exam procedures.

A. Internal Agency Guidance

Problem. Many banks report encountering internal agency “guidance” that has not been made public. The guidance typically involves informal interpretations regarding the CRA regulations, the interagency Q&A, or opinions addressing various aspects of CRA compliance.

In many situations, the examiners cite information posted on internal agency “bulletin boards.” While these informal interpretations may not be intended to represent official agency positions, many examiners are treating them as such. A separate, but related, issue has arisen involving non-public internal agency guidance that addresses examination scoping. In both situations, banks only learn about the internal guidance at examination time and are not provided with access to these internal agency documents.

Recommendation. *Regulators should ensure that internal, informal agency guidance does not inadvertently create new public policy. If internal guidance does represent a policy change, it should be publicly shared. Regulators should review “bulletin board” postings for potential inclusion in future updates on interagency exam procedures. In addition, regulators should regularly review such postings to ensure consistency across agencies and to guard against the inadvertent creation of new policy without adequate public notice.*

B. Examiner Training

Problem. There is an insufficient number of experienced and qualified CRA examiners who possess the skills necessary to apply sound judgment to analyze a bank’s performance context. The need for well-trained and experienced CRA examiners has grown to the point that banks with an outstanding rating that are scheduled for an exam in 2018 will not be examined until 2019 or 2020.

Recommendation. *To guard against rigid interpretations that defeat the purpose of CRA, the banking agencies should appoint dedicated CRA examiners and provide a defined and respected career path for such individuals. To promote consistency, regulators should provide examiner training on an interagency basis. We also support training bankers and regulators together in a manner that parallels the model that the agencies employed when rolling out the 2005 version of the BSA Exam Manual.*

C. Communications During and After Examinations

Problem. Regulators have established a quality control process whereby CRA examination reports must go through multiple levels of review—including review at agency headquarters—before examiners can provide feedback regarding the bank’s CRA performance. As a result, most banks receive limited, if any, input prior to receiving a copy of the examination report. Moreover, many banks no longer receive exit interviews at the conclusion of an exam.

In too many cases, banks receive little to no communication from regulators until they are presented with the exam report months (and in some cases over a year) later. Although some banks report that they were given five days to review the report for data accuracy, this occurred *after* the report had gone through the internal agency review process. As a result, factual errors that might have been identified and corrected have been “baked in” to the final performance evaluation.

Recommendation. *Examiners should be required conduct an exit meeting at the conclusion of a CRA examination. All banks should be permitted to fact check review the draft PE report before it is forwarded for additional agency review. Regulators who identify a CRA issue following the field exam should initiate communications with the bank as soon as they determine that a downgrade may be in order.*

D. Transparency of CRA Ratings and Application Approvals

Problem. Regulators take CRA ratings into consideration when evaluating a bank’s application to engage in certain activities, such as opening branches, relocating the main office or a branch, and making acquisitions. However, the FDIC and the Federal Reserve have not issued guidance

or policy statements describing how an unsatisfactory exam rating impacts an agency's decisions on such applications. Similarly, these agencies have not articulated how compliance issues involving laws or regulations other than CRA will impact a bank's CRA rating. The OCC's recent additions to its policies and procedures manual describe the factors that the agency will consider in these types of situations.¹⁵ These OCC issuances illustrate the type of helpful clarifications that agencies can provide in this regard.

Recommendation. *The banking agencies should provide more transparency regarding how CRA ratings are assigned. Specifically, regulators should update the interagency CRA exam procedures to include more detail regarding the examination process, how examiners make judgments, the data that they use to inform those judgments, and the weight of other factors that examiners consider in determining a bank's CRA rating.*

Additionally, regulators should develop consistent policies clarifying that CRA will not be used as a general enforcement tool and that an Unsatisfactory CRA rating will not be a de facto bar to opening new branches or engaging in other activities requiring regulatory approval.

E. Timeliness of Exam Reports

Problem. It can take months, if not years, for regulators to finalize a bank's CRA exam report.

Recommendation. *Regulators should provide CRA exam reports as soon as practicable, but not later than within one year of commencing an examination.*

V. Apply CRA-Like Requirements to Credit Unions and Other Financial Firms

Problem. One of the primary goals of the Federal Credit Union Act¹⁶ is to make credit available to people of modest means. However, credit unions are not required to document their service to these individuals. In fact, a 2006 Government Accountability Office report found that credit unions were more likely to serve middle- to upper-income individuals than the banking industry.¹⁷

Recommendation. *The requirements to meet the financial services needs of all income demographics, including LMI individuals, should apply to all federally insured depository*

¹⁵ Office of the Comptroller of the Currency, [OCC PPM 5000-43](#), Impact of Evidence of Discriminatory of Other Illegal Credit Practices on Community Reinvestment Act Ratings (2017); *See also* Office of the Comptroller of the Currency [OCC Bulletin 2017-51](#), Impact of CRA Ratings on Licensing Applications (2017).

¹⁶ 12 U.S.C. § 1751 et al.

¹⁷ U.S. Gov't Accountability Office, GAO-07-29, [Greater Transparency Needed on Who Credit Unions Serve and on Senior Executive Compensation Arrangements](#) (2006).

institutions. In particular, credit unions, which receive significant government benefits to serve LMI individuals, should be required to demonstrate through measurable standards that they are meeting their service obligations. Similarly, as the financial services industry evolves and regulators explore the provision of special purpose charters to financial technology firms, any such charter should ensure that these entities meet the convenience and credit needs of their particular communities, just as banks are expected to do under CRA. Moreover, any such CRA-like responsibilities should be enforced through examination.