



CRA in Rural America

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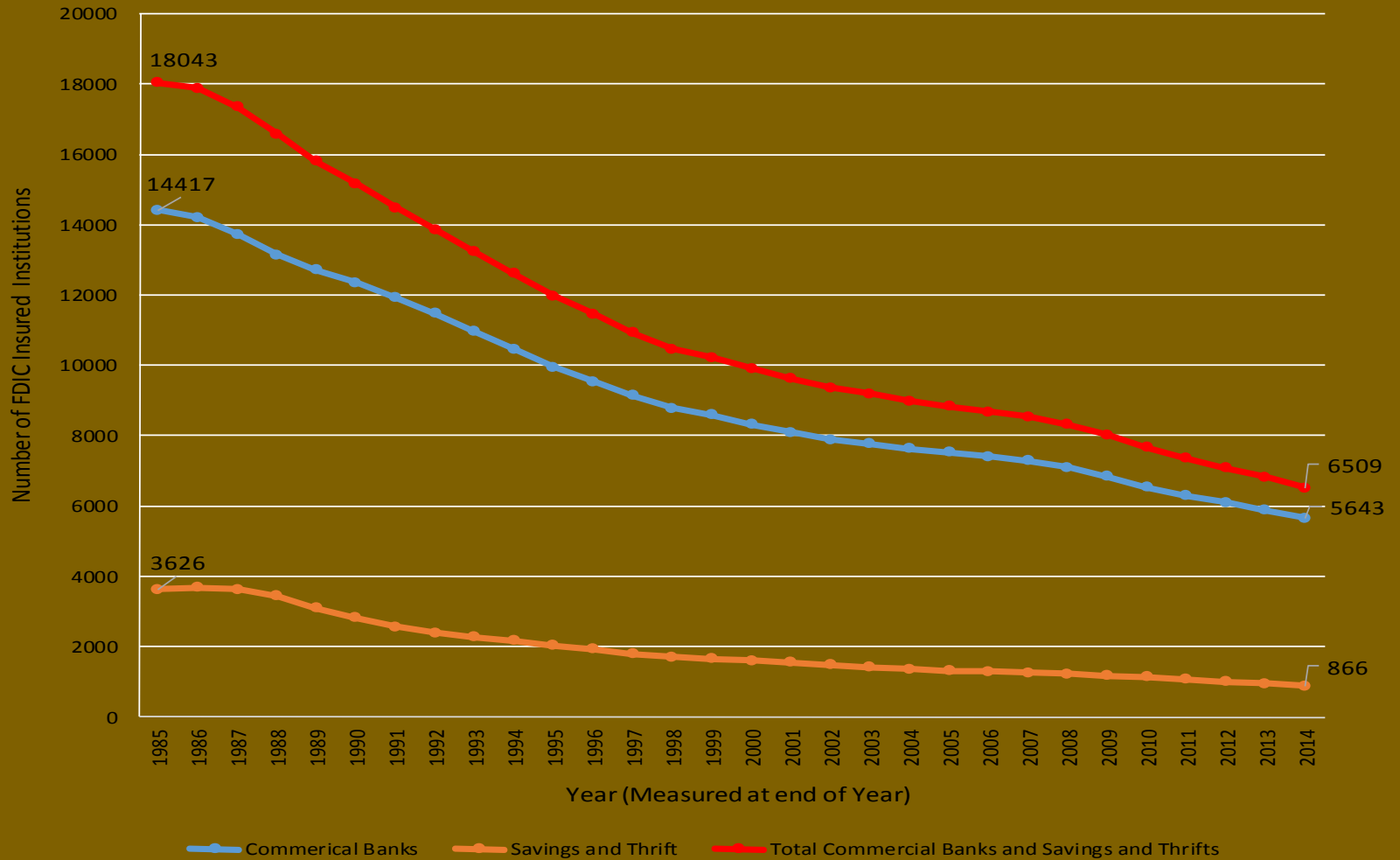
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Outline

- Banking Industry Background
 - CRA Overview
 - CRA in Rural Communities
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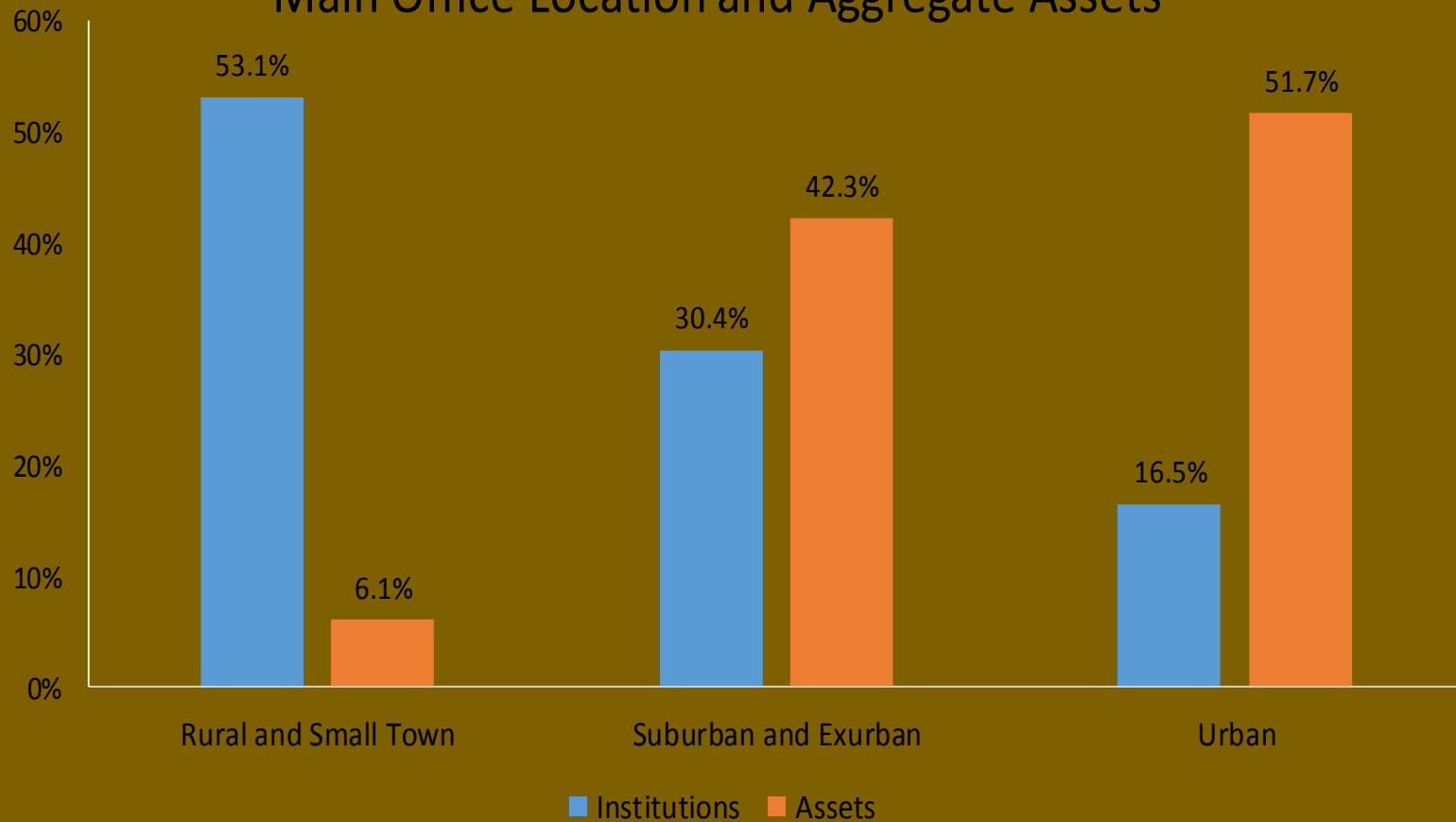


FDIC Insured Depository Institutions 1985 to 2014





2014 FDIC Insured Depository Institutions by Main Office Location and Aggregate Assets





CRA Overview



CRA Background

- Enacted in 1977 in response to disinvestment and discriminatory lending practices primarily occurring in urban areas.
- Lenders have an obligation to serve all parts of their service area in a safe and sound manner.
- Applies to depository institutions only (excludes credit unions and independent mortgage companies)
- Federal regulators (OCC, Federal Reserve and FDIC) perform periodic evaluations to assess whether or not lenders are meeting this obligation



CRA Examinations

- Examinations (two to five years) explore retail lending, services, and community investment/development

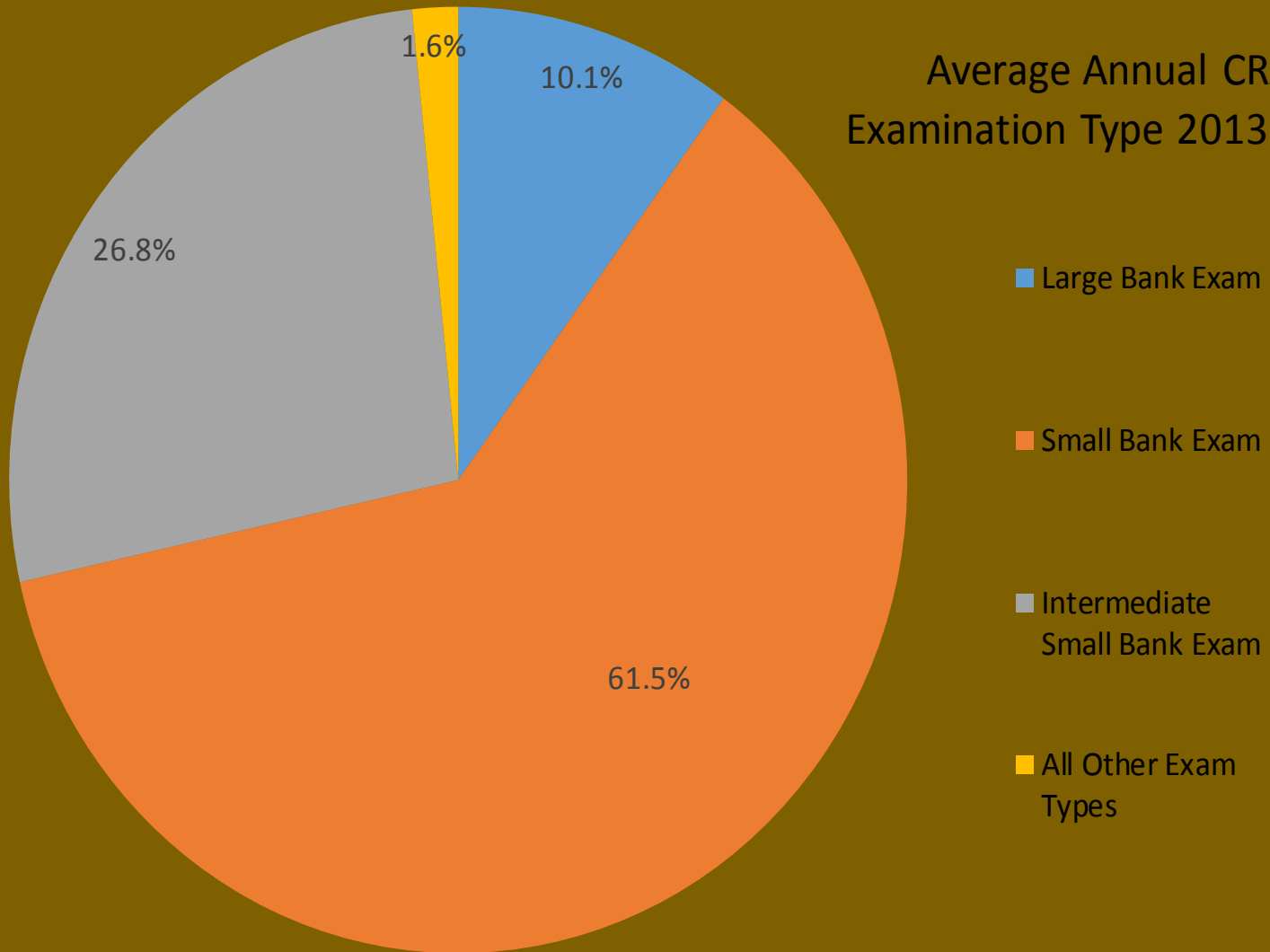
- Three primary types of CRA examinations
 - Large Bank Exams

 - Intermediate, Small Exam

 - Small Bank Exam



Average Annual CRA Examination Type 2013-2015



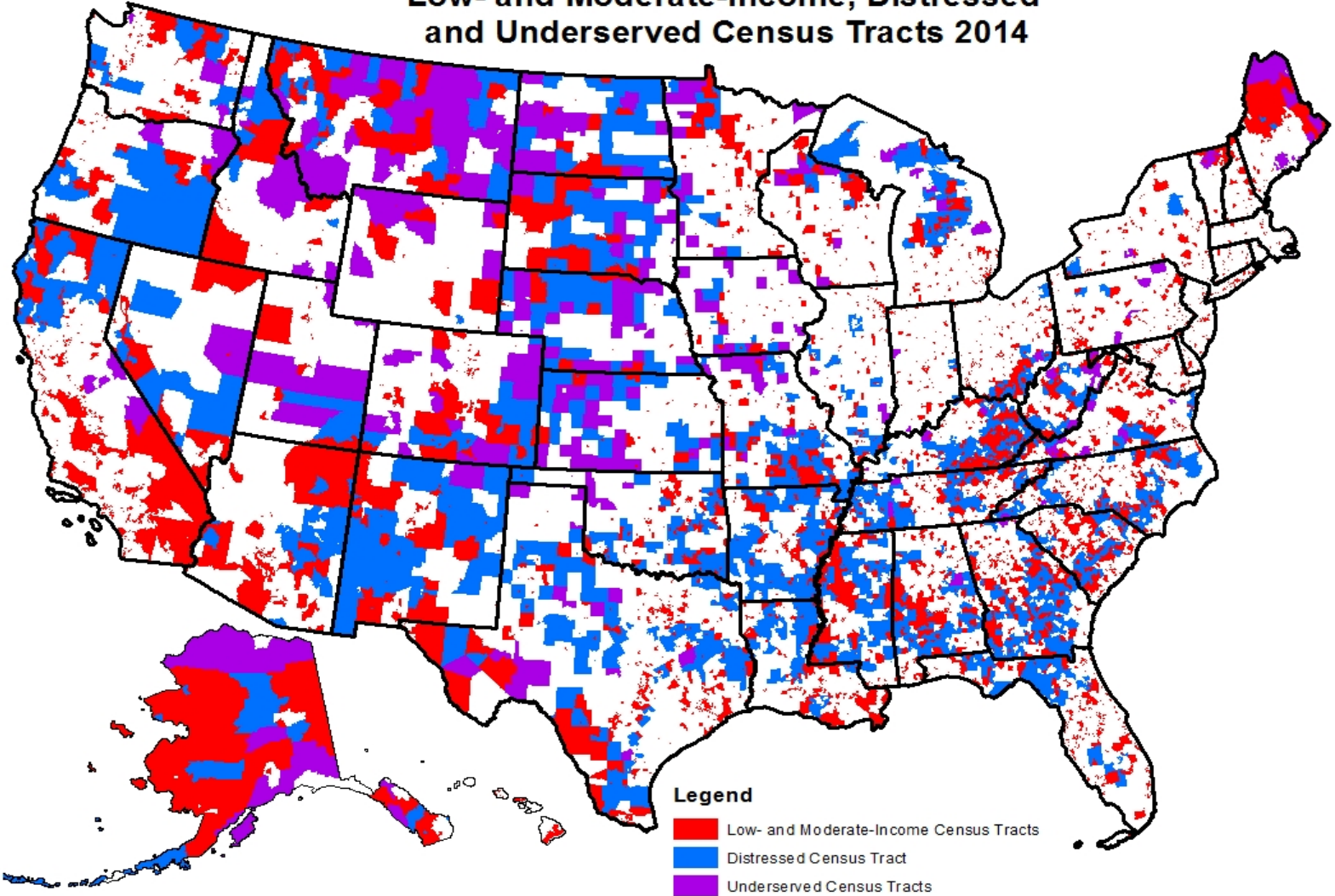


CRA Assessment Areas

- Assessment areas represent areas with a lender operates a deposit taking office and/or does a substantial amount of lending activity.

- Regulators look for and highly value investments occurring in the following
 - Low or Moderate-income census tracts
 - Economically distressed outside of metropolitan area census tracts
 - Underserved outside of metropolitan area census tracts

Low- and Moderate-Income, Distressed and Underserved Census Tracts 2014





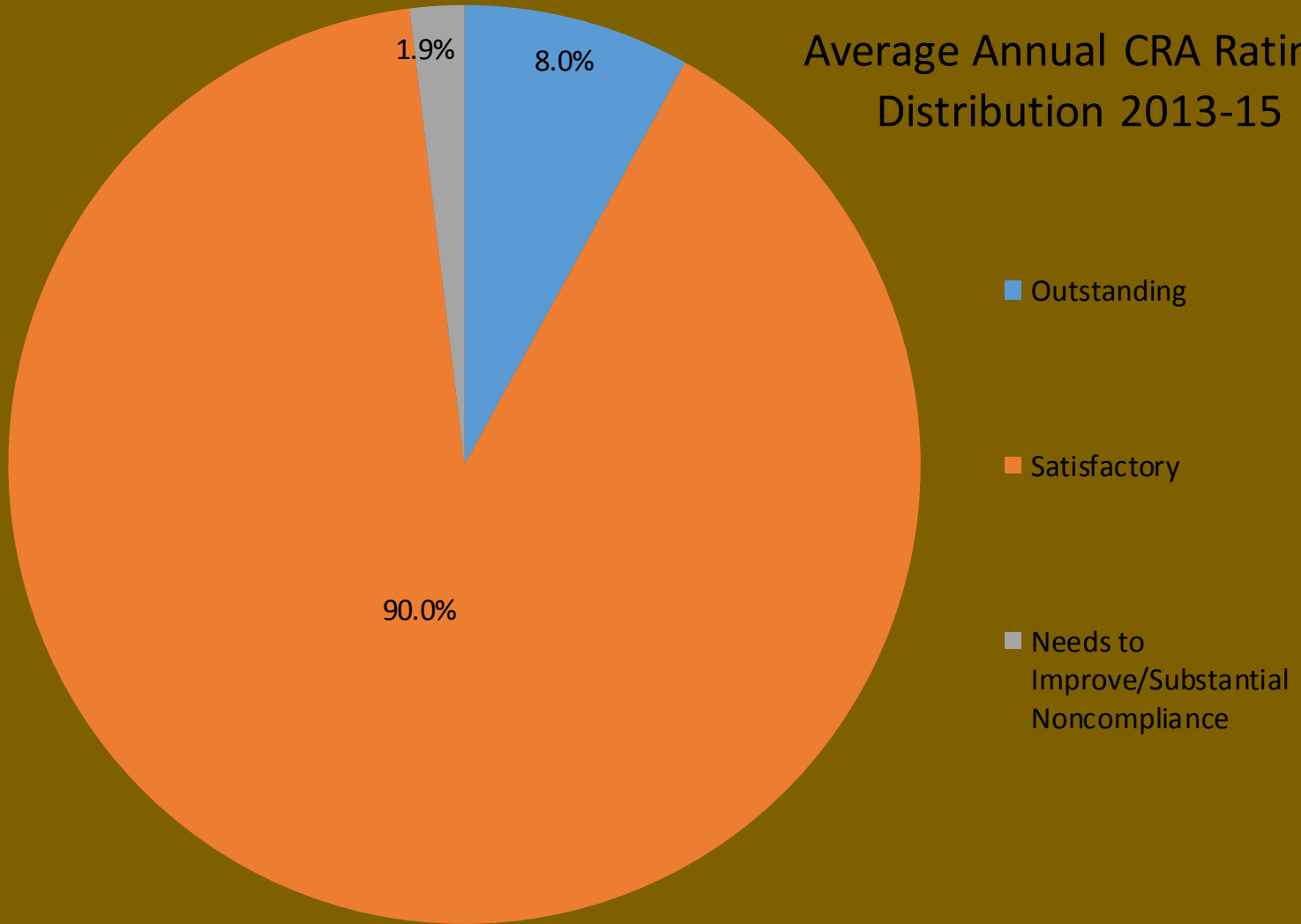
CRA Ratings

- ▶ Regulators award final, overall rating
 - ▶ Outstanding
 - ▶ Satisfactory
 - ▶ Needs to Improve
 - ▶ Substantial Non-Compliance

- ▶ Regulators can consider poor rating when institution applies to regulators for such things as acquiring another lender



Average Annual CRA Ratings Distribution 2013-15

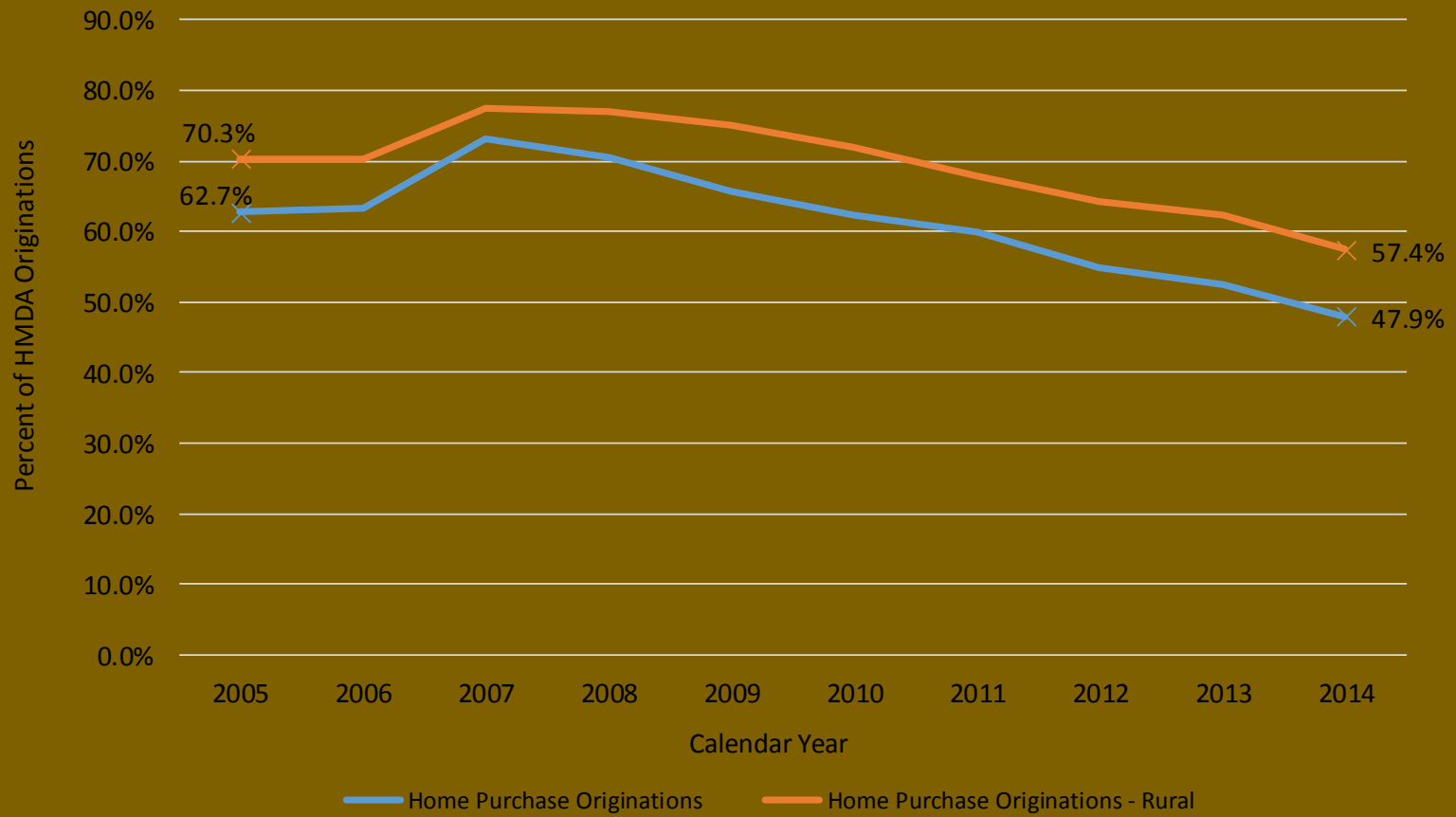


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CRA in Rural Areas



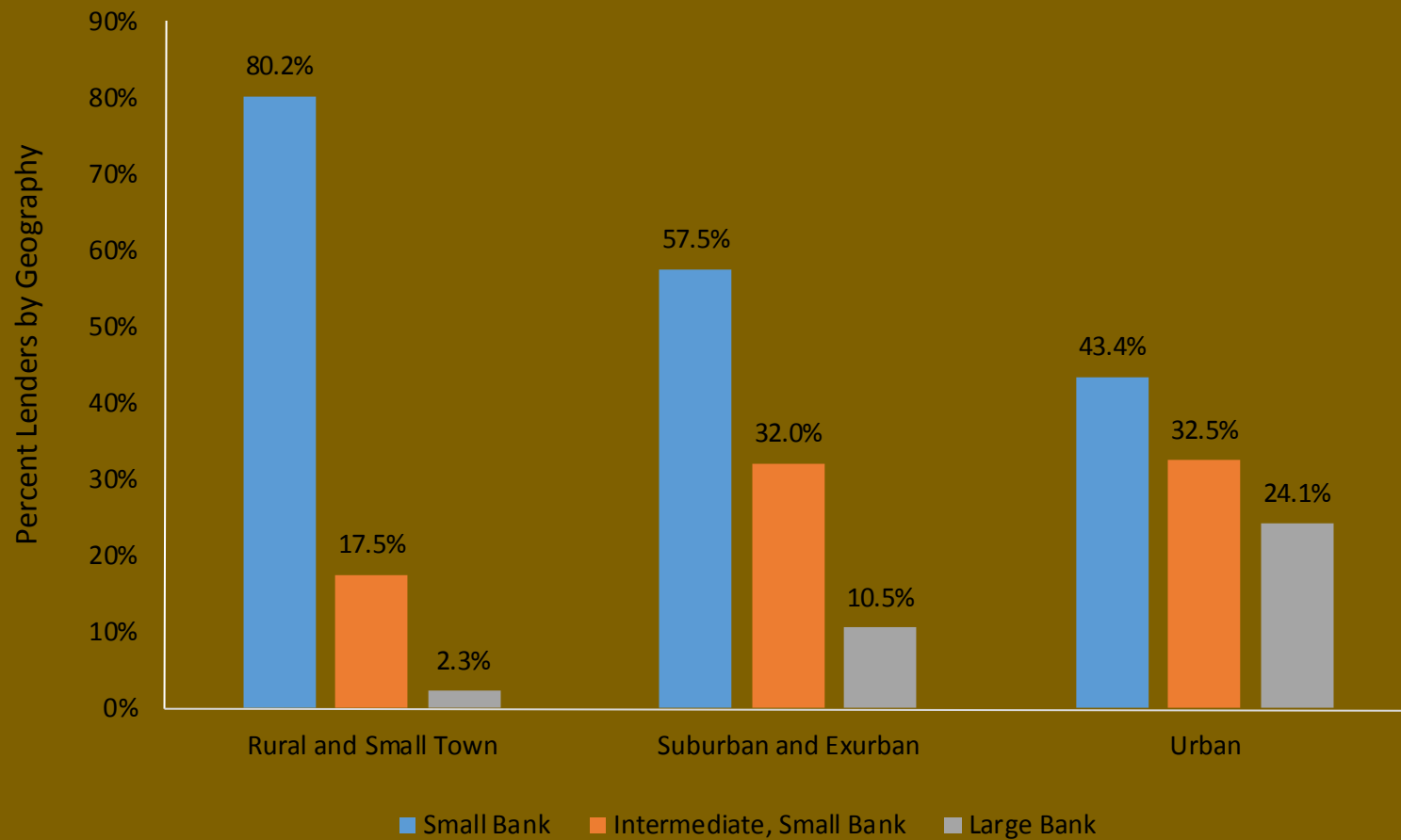
CRA-Regulated Lender Activity as a Percent of all Mortgage Lending Activity 2005-2014*



*All commercial banks and savings and thrifts make up CRA-covered lenders. The data also includes their affiliates. The HMDA mortgage data includes all originations for which loan location data was provided (state, county and census tract fips). The data includes only first lien, home purchase loans.

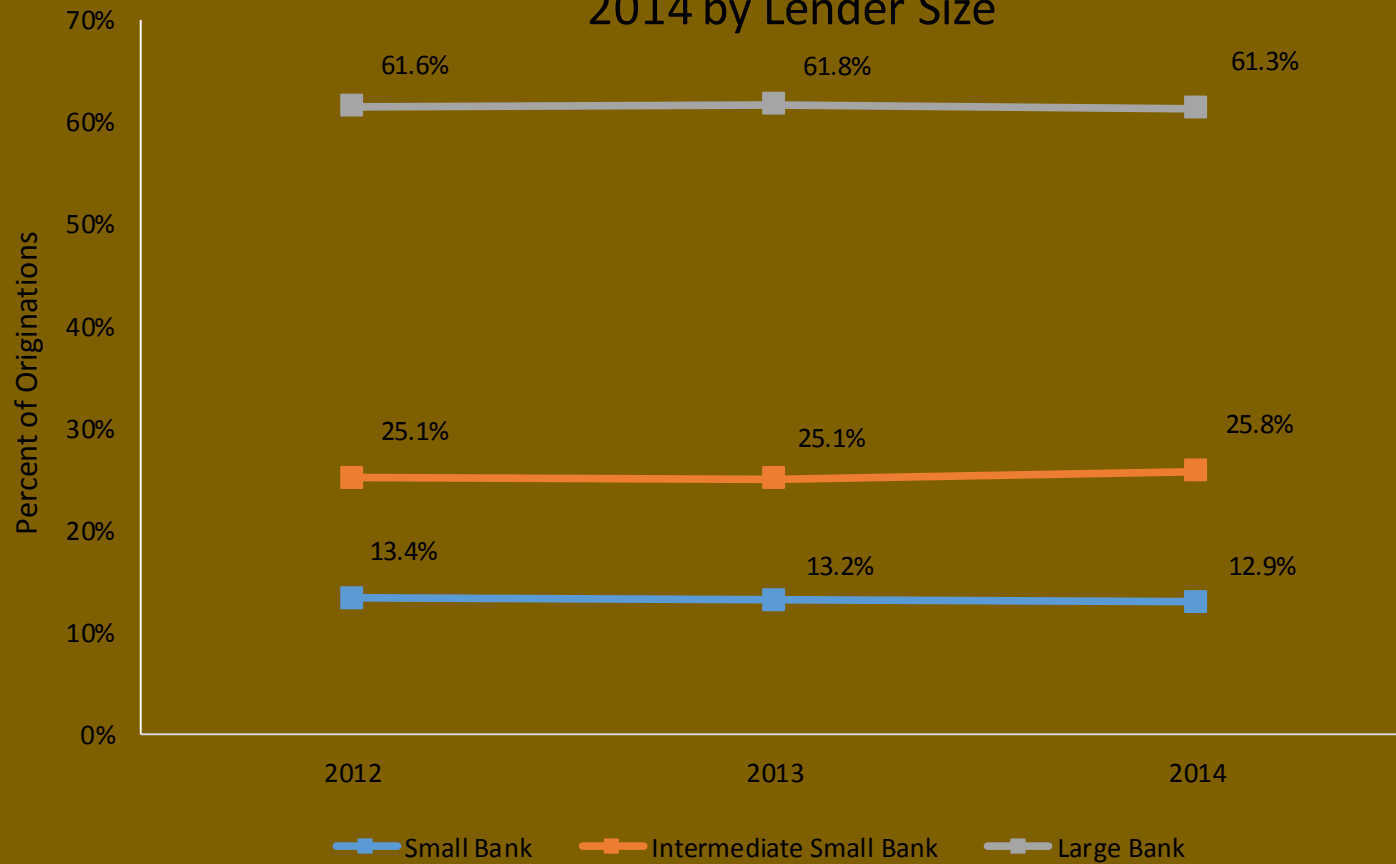


2014 FDIC Insured Depository Institutions by Headquarters Geography and CRA Exam Asset Threshold



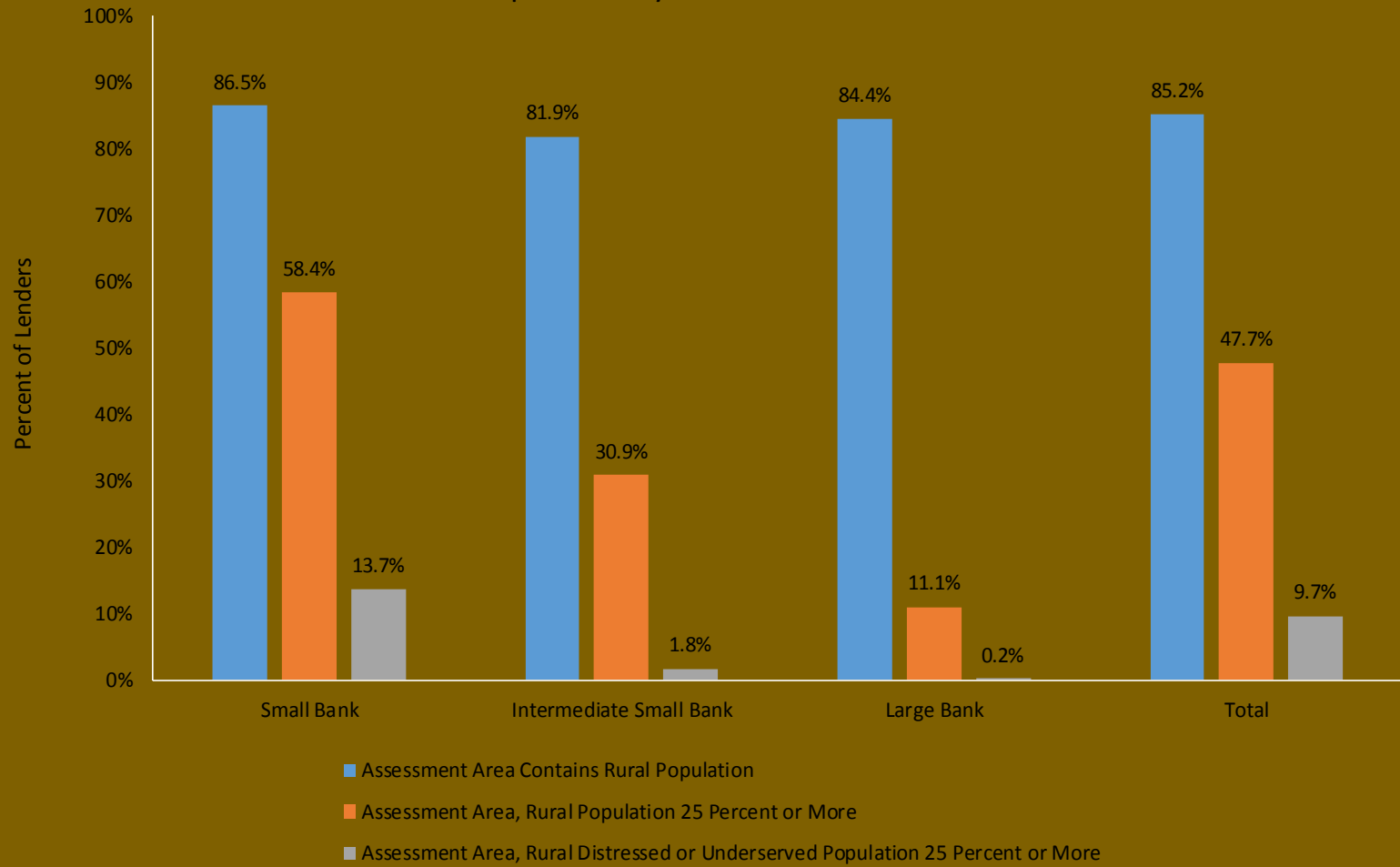


FDIC Insured Depository Institutions, Rural CRA Regulated Lenders HMDA Home Purchase Originations 2012 through 2014 by Lender Size



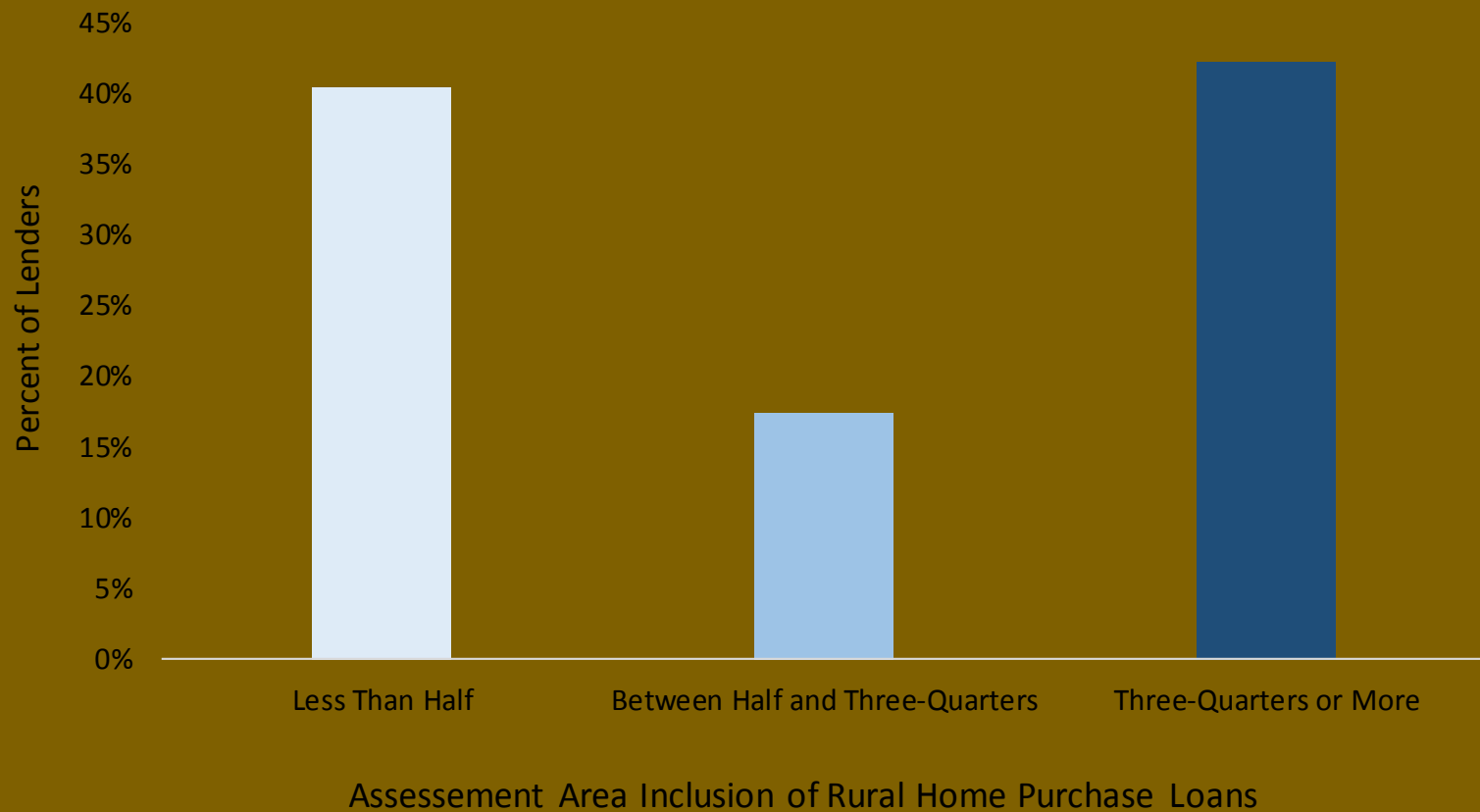


2014 FDIC Insured Depository Institutions Estimated Assessment Area Rural Population by Lender Asset Size





2014 FDIC Insured Depository Institutions Assessment Area Rural Loan Coverage





CRA Resources

- ▶ Federal Financial Institutions Examination Council (FFIEC):
<http://www.ffiec.gov/cra/>
- ▶ Consumer Finance Protection Bureau (CFPB):
<http://www.consumerfinance.gov/hmda/>
- ▶ Office of Comptroller of Currency (OCC):
<http://www.occ.gov/topics/compliance-bsa/cra/index-cra.html>
- ▶ Federal Reserve: http://www.federalreserve.gov/communitydev/cra_about.htm
- ▶ FDIC: <https://www.fdic.gov/regulations/cra/>



Upcoming CRA Webinars

- ▶ March 16th CRA webinar exploring successful rural projects which earned CRA credit for the involved lenders
- ▶ April 13th CRA webinar looking more closely at outstanding CRA lenders and discussing efforts to increase CRA related activity in rural areas