



Community Reinvestment Act Expanding Access to Financial Products

Problem: Established in 1977, the Community Reinvestment Act (CRA) requires banks to meet the credit needs of the communities where they do business. Despite this, discrimination in lending is still a problem and consumers of color are still dramatically underserved. Federal regulators score banks based on their lending, services and investments. The 'service test' grades banks on location and number of branches and how or if services are delivered in low-income neighborhoods.

Proposal: While defending the CRA is critical, what do we imagine it should be to serve people of color? To start, strengthening the service test to be objective and performance-based to increase banks' responsiveness to the needs of people of color and reduce the likelihood that CRA ratings are inflated by regulators. Additionally, we must also ensure that geography remains the focus of CRA exams for all banks so that banks can't ignore the credit needs of vulnerable communities.

WHAT DO YOU THINK?

- Is there a way that the **service test** can be more precise in defining race and being accountable for improvements broken down by race?
- Is focusing on the branch network an adequate way to ensure banks are serving people of color?
- What products or services should banks provide for people of color that would increase their CRA score? How should delivery of those services be scored?

Resources:

- Check out National Community Reinvestment Coalition's (NCRC) [campaign](#), #Treasure CRA, to strengthen the CRA
- [This](#) New York Times Editorial Board opinion piece summarizes how new rules help banks and hurt poor neighborhoods
- Bank investments are [falling short](#) in rural America