

# CRA -Resources and Tools in Response to Covid19

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# OCC Topics

- ▶ Joint Statement on CRA & COVID-19
- ▶ Examples of CRA-Qualifying Activities Under COVID-19
- ▶ Resources

# Joint Statement on CRA Consideration for Activities in Response to COVID-19

March 19

- ▶ **Working with customers**: The agencies will favorably consider retail banking services and retail lending activities in a financial institution's assessment areas that are responsive to the needs of LMI individuals, small businesses, and small farms affected by COVID-19 and that are consistent with safe and sound banking practices.
- ▶ **Community Development Activities**: clarifies that financial institutions will receive CRA consideration for community development activities.
- ▶ This statement shall be effective through the six-month period after the national emergency declaration is lifted, unless extended by the agencies.

# Interagency FAQs on CRA-Related to COVID-19

May 27

- ▶ COVID-19 affected states and jurisdictions are considered CRA designated disaster areas (DDA)
- ▶ Banks may receive positive consideration for activities that revitalize or stabilize DDAs by protecting public health and safety, particularly for LMI individuals and geographies, or distressed or underserved areas
- ▶ Examiners will consider bank activities that help to maintain affordable housing for LMI individuals as responsive to community needs during the COVID-19 emergency

## COVID-19 Emergency Needs - How Are Communities Being Impacted?

- ▶ Community Health and Access to Healthcare
- ▶ Small Business Closures
- ▶ Job Losses
- ▶ Inability to maintain housing
- ▶ Food Access and Insecurity
- ▶ Non-profit Capacity and Sustainability

# Joint Statement Examples of Retail Activities

- ▶ Waiving certain fees;
- ▶ Easing restrictions on cashing out-of-state and non-customer checks;
- ▶ Expanding the availability of other short-term, unsecured credit products for creditworthy borrowers;
- ▶ Increasing credit card limits for creditworthy borrowers;
- ▶ Providing alternative service options to customers in light of limited ability to access branches; and
- ▶ Offering payment accommodations.

# Joint Statement Examples of Community Development Activities

- ▶ Loans, investments or services that support digital access for LMI individuals or communities;
- ▶ Loans, investments or services that support access to health care, particularly for LMI individuals or communities;
- ▶ Economic development activities that sustain small business operations, particularly in LMI communities; and
- ▶ Investment or service activities that support provision of food supplies and services for LMI individuals or communities.

# Interagency FAQ Examples of Community Development Activities

Loans, investments or services that support:

- ▶ Emergency medical care, including medical facility services and supplies, temporary medical facilities, and enhanced medical/hospital capacity;
- ▶ Purchase and distribution of personal protective equipment;
- ▶ Assistance to state, tribal, territorial, or local governments for emergency management and to support communications of general health and safety information to the public;
- ▶ Housing stability for LMI renters who are experiencing financial hardship due to COVID-19;
- ▶ Intermediary organizations that provide housing support for LMI individuals.

# Actual Examples of Banks' COVID-19 Responses

- ▶ **Affordable Housing:** A bank provided a line of credit to a municipality that will purchase and repurpose hotels to provide safe housing for the homeless in quarantine.
- ▶ **Community Service:** A bank provided a grant to a fund that will provide meals to LMI students during the school closures. Over 65% of students are on the free and reduced lunch program when in school.
- ▶ **Economic Development:** A bank is providing technical assistance to a CDFI assisting small businesses to apply for emergency financial assistance programs
- ▶ **Revitalize and Stabilize:** A loan to rehabilitate or create a new communications infrastructure to facilitate access to public health or safety services in a designated disaster area, such as broadband internet that serves the community, including LMI residents.

## Actual Examples of Banks' COVID-19 Responses (cont.)

- ▶ **Affordable Housing:** A bank provided funding to a HUD-approved housing counseling agency to support LMI homeowners.
- ▶ **Community Service:** A bank established a grant pool to provide operating support for nonprofits impacted by COVID-19 that support program services to LMI families.
- ▶ **Economic Development:** A bank provided funding to a CDFI for microloans to local small businesses that don't qualify for other federal or state programs.
- ▶ **Revitalize and Stabilize:** A bank supported the preparedness fund of a hospital in an underserved rural middle-income area to purchase needed medical equipment
  - ▶ or, a bank made a loan  $\leq$  \$1 million to support the economic recovery of a business that was able to retain jobs and provide needed services to the LMI community

# COVID-19 Bank Guidance

- ▶ [March 19: Pandemic Planning: Joint Statement on Community Reinvestment Act Consideration for Activities in Response to COVID-19](#)
- ▶ [March 22: Agencies Provide Additional Information to Encourage Financial Institutions to Work with Borrowers Affected by COVID-19](#)
- ▶ [March 26: Federal Agencies Encourage Banks, Savings Associations and Credit Unions to Offer Responsible Small-Dollar Loans to Consumers and Small Businesses Affected by COVID-19.](#)
- ▶ [April 3: Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the COVID-19 Emergency and the CARES Act](#)
- ▶ [April 7: Troubled Debt Restructurings: Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working With Customers Affected by COVID-19](#)
- ▶ [May 27: Interagency Frequently Asked Questions on the Community Reinvestment Act Related to COVID-19](#)

# Federal Resources

- ▶ FDIC | [www.fdic.gov](http://www.fdic.gov)
  - ▶ [Coronavirus Information for Bankers and Consumers](#)
- ▶ OCC | [www.occ.gov](http://www.occ.gov)
  - ▶ OCC Publications at [www.occ.gov](http://www.occ.gov)
  - ▶ [OCC Announces Project REACH to Promote Greater Access to Capital and Credit for Underserved Populations](#)
  - ▶ [Questions and Answers for Banks Regarding COVID-19](#)
  - ▶ [Questions and Answers for Customers Regarding COVID-19](#)