



Community Reinvestment Act (CRA)

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Community Reinvestment Act

- The Community Reinvestment Act (CRA) is a federal law enacted in 1977.
- Massachusetts adopted its own CRA law in 1982.
- The intent of the CRA is to encourage institutions help meet the credit needs of communities where they operate, including low and moderate income (LMI) areas and individuals.
- CRA exams evaluate banks' performance with lending (*e.g. mortgage and/consumer loans*); investing (*i.e. community development loans*); and providing services (*e.g. financial literacy and no/low cost bank accounts*) in LMI areas and to LMI individuals.

Massachusetts



- The Division of Banks (Division) actively conducts **joint** CRA exams with the FDIC and **concurrent** exams with the Federal Reserve Bank of Boston.
- The Division also conducts CRA exams at Credit Unions and at certain Mortgage Lenders following similar examination standards as to those applied to state-charter banks.



COVID-19: Joint CRA Statement

[The Division of Banks joins FFIEC agencies in promoting CRA consideration for activities in response to the COVID-19](#)

“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 low- and moderate-income individuals, small businesses, and small farms affected by COVID-19 and that are consistent with safe and sound banking practices”.

Activities may include:

- Waiving certain fees, such as:
 - ✓ Automated teller machine (ATM) fees for customers and non-customers,
 - ✓ Overdraft fees,
 - ✓ Late payment fees on credit cards and other loans, and
 - ✓ Early withdrawal penalties on time deposits;
- 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, such as allowing borrowers to defer or skip payments or extending the payment due date, which would avoid delinquencies and negative credit bureau reporting, caused by COVID-19-related issues.



COVID-19: Joint CRA Statement

Community Development Activities: In light of the declaration of a national emergency, this statement clarifies that financial institutions will receive CRA consideration for community development activities.

Qualifying activities include those that help to revitalize or stabilize low- or moderate-income geographies as well as distressed or underserved non metropolitan middle-income geographies, and that support community services targeted to low- or moderate-income individuals. Such activities may include, but are not limited to:

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



COVID-19: Joint CRA Statement

Favorable consideration will be given to community development activities located in a **broader statewide or regional area that includes a bank's CRA Assessment Area and that help to stabilize communities affected by the COVID-19, provided that such institutions are responsive to the community development needs and opportunities that exist in their own assessment area(s).**

This statement is to remain effective for a six-month period after the national emergency declaration is lifted, unless extended by the agencies (inclusive of the Massachusetts Division of Banks).

COVID-19: Community Development and Lending Efforts



\$1 million fund to facilitate rapid delivery of financial resources to nonprofits working with communities significantly impacted by unforeseen crises, such as the COVID-19 pandemic.

\$10 million in funding to help those affected by the COVID-19 pandemic including food banks, community foundations, support of community organizations, health centers and small businesses in Massachusetts.

CU offers a COVID-19 Relief Small Loan to assist its members during this current environment. 36 month loan term; 90-days until first payment is due; 2.49% APR; Maximum loan amount of \$2,500.00.

CUs Pledge Over \$800,000 to Groups impacted by COVID-19. Two CUs partner with GreenPath Financial Wellness; others donate N-95 masks and support health care workers and restaurants.