



# Bankers & Community Reinvestment Act (CRA): From Policy to Purpose


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Proprietary and Confidential


## 3 Fun Facts About Me

1.  **I HAVE BEEN AN AMERICAN CITIZEN FOR 8 YEARS**  
And love to chat about the civics questions covered in the naturalization test



2.  **I HAVE BEEN TALKING ABOUT COMMUNITY DEVELOPMENT FOR OVER 15 YEARS**  
The last 10 years exclusively in the banking industry, prior experience in economic development focus



3.  **FOODIE**  
In my spare time, I love going to new local restaurants and back to some favorites to enjoy new and trusted dishes with family and friends



# Disclaimer

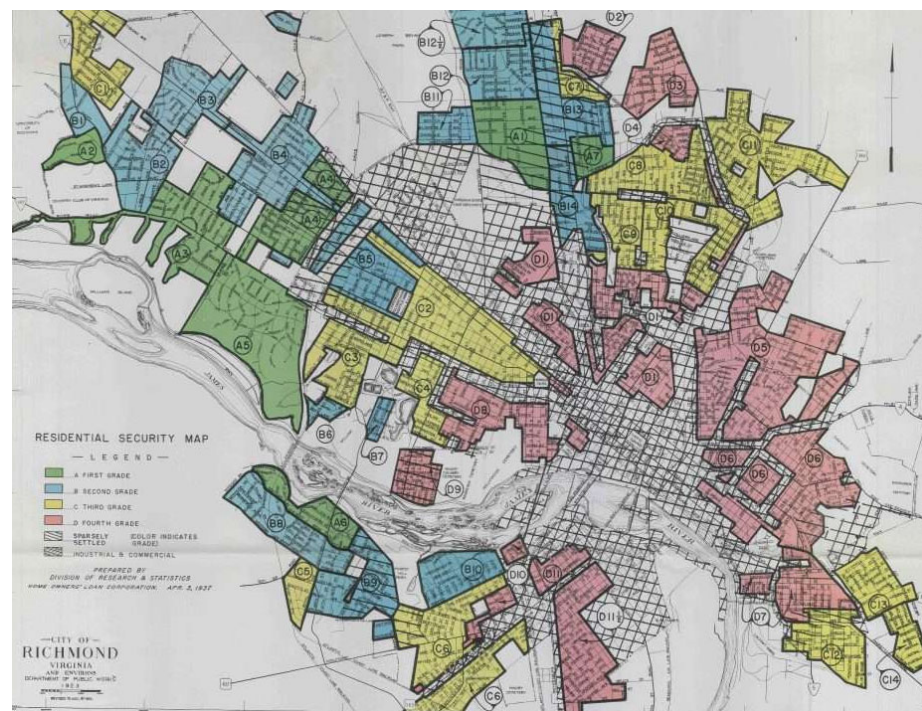
*Today's session is intended for educational purposes and is not intended to qualify as legal advice. All information, material, and content provided in this session is offered as general information and not tailored to or specific to any particular bank or regulator. These views are my own, and do not represent my employer, Atlantic Union Bank.*

# What we will cover today

- ▲ High-level overview of the Community Reinvestment Act
- ▲ Banks' role in community development
- ▲ A bankers role bringing CRA to life in a meaningful way

# The Community Reinvestment Act (CRA)

- The Community Reinvestment Act of 1977 was enacted to encourage banks to help meet the credit needs of the communities that they serve, including LMI neighborhoods, consistent with the banks' safe and sound operations. In passing the CRA, Congress established that
  1. Banks are required by law to demonstrate that their deposit facilities serve the convenience and needs of the communities in which they are chartered to do business;
  2. The convenience and needs of communities include the need for credit services as well as deposit services; and
  3. Banks have a continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered



# The CRA impact in three key risks:

## Reputation in the Community

- Since July 1, 1990, the agencies are required to make an institution's rating and written performance evaluation available to the public.
- The CRA ratings and performance evaluations are available at the regulators' websites.

## Ability to Expand

- An institution's CRA record is taken into account in considering applications for deposit facilities, including mergers and acquisitions.

## Frequency of CRA Examinations

- Maintaining a Satisfactory or better CRA rating will also result in less frequent CRA examinations.

# Banks are analyzed based on their asset size

- Banks are analyzed based on their type as follows:
  - Small Bank (\$600 million or less)
  - Intermediate Small Bank (\$600 million to \$2.5 billion)
  - Large Bank (assets greater than \$2.5 billion)

- Most banks have to follow three tests:

**Service (25%)**

**Investments (25%), and**

**Lending (50%)**

# The Service Test: where the branch network and volunteering are reviewed

- Designed to hold banks accountable for making **basic banking services readily available to all**, not just to those in communities of wealth
- Banking “services” relates primarily to the location of physical bank branches and ATMs, but also incorporates community development services such as conducting home buyer seminars, small business advising, and financial education
- **Volunteering by bank employees is considered a community development service and is a component of the rating on this test**
  - An organization is CRA-qualified when 51% of the clients it serves are LMI and/or the nonprofit exclusively operates in an LMI community

## The Investment Test:

- Designed to hold banks accountable for financial investment in neighborhoods that are deemed LMI according to census data
- “Investment” related to grants, affordable housing, small businesses, and mortgage backed securities, provided they are not complex
- Grants to nonprofit organizations are one component of a bank’s investments, and are factored into the rating on this test

# The Lending Test: carries the majority of the weight and work

- Designed to ensure that banks are responsive to the **credit needs of low-to-moderate income (LMI) communities**, and are safely lending to borrowers across the income spectrum
- Lending assessment include mortgages, small businesses, affordable housing construction, and lending policies and products that are specifically designed to help the lower income customers be successful
- Neither grants nor volunteering are considered in this test. It is strictly a review of the Bank's lending practices

# The Lending Test: 3 Main Buckets

**HMDA  
Reportable  
Loans**



**Small Business  
/ Small Farm**



**Community  
Development  
Loans**



## HMDA Reportable Loans

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- Collection and reporting of certain **mortgage lending activity** to ensure local housing needs are being served, to assist in attracting private investments to needed areas, and to identify potentially discriminatory lending patterns in order to enforce anti-discrimination laws.
- **Commercial purpose loans and lines of credit secured by a dwelling or mixed-use property** for the purpose of purchasing, refinancing, or improving the dwelling regardless of the borrowing entity (can be an individual, LLC, corporation, etc.).



## Small Business/Small Farm Loans

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- Loans reported on the CRA LAR
- Small Business Loans that are  $\leq$  \$1MM **and** defined on the Call Report as either “Loans secured by nonfarm or nonresidential real estate” or “Commercial and Industrial loans”
- Small Farm Loans that are  $\leq$  \$500K and were reported as either “Loans to finance agricultural production, and other loans to farmers” or “Loans secured by farmland”



## Community Development Loans

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- Loan that has a primary purpose of community development
- Has not been reported as a home mortgage, small business/farm or consumer loan
- Benefits the bank's assessment area or a broader statewide or regional area that includes the bank's assessment area



# All three tests have 4 Basic Pillars:

What Qualifies as CRA?

- Start with 4 Basic Pillars:
  - Affordable Housing
  - Community Services (Financial Literacy!)
  - Economic Development
  - Revitalization and Stabilization

# Wrap up: The Community Reinvestment Act (CRA)

## What CRA Is

- Federal law requiring banks to demonstrate that their services meet the convenience and needs of the communities where they operate

## Why it matters

- Influences mergers & acquisitions
- Impacts branch openings
- Shapes public opinion

## How we're evaluated

- **Lending:** Meeting credit needs
- **Investments:** Supporting community development
- **Services:** Accessible banking + volunteer support

# CRA: bankers fosters strong community and economic development.

The Bank's CRA success depends on its employees

CRA presents and opportunity for the Bank to serve the community.



# Great CRA Stories! Banks of all sizes make a difference in every community

## 2025 Award Winners



### Affordable Housing

**Woodforest National Bank, The Woodlands, Texas**, for its FlexCap program. Created by the Housing Partnership Fund and Woodforest National Bank, delivers flexible, low-cost capital to nonprofit housing developers working to preserve naturally occurring affordable housing. With loan sizes up to \$25 million, FlexCap enables mission-driven organizations to compete with market buyers, improve properties and secure sustainable long-term funding. The program strengthens neighborhoods, prevents displacement and ensures families nationwide have access to stable, affordable homes for generations to come.

# Great CRA Stories! Banks of all sizes make a difference in every community



## Community and Economic Development

**American Savings Bank, Honolulu, HI, for Hui Kapili** – which means “building together” in Hawaiian – is a free, 10-week accelerator created by media group aio Hawaii and American Savings Bank to grow Hawaii’s small and midsize construction-related businesses and strengthen Hawaii’s economy. The program tackles affordable

housing, business and labor shortages by providing strategic planning, financial management, workforce development and technology training. Participants connect with industry experts, receive mentorship from American Savings Bank leaders and complete a civic engagement project.

# Great CRA Stories here in Virginia!

## Community and Economic Development

### Atlantic Union Bank -

**City/State:** Richmond, VA

**ABA Asset Size:** Medium

**Program Name:** Future Impact Makers Intern Grant Program

Atlantic Union Bank's Future Impact Makers Grant addresses a critical gap in workforce development by funding paid internships for low- and moderate-income students. Atlantic Union Bank also provides a robust professional development curriculum for interns and managers. Grant recipients work closely with interns to identify and tailor professional development opportunities that align with their career goals. A portion of the grant is dedicated to the recipient's recruitment and hiring endeavors and requires them to invest about 5% of the grant in an additional professional development activity. Since its launch, the program has grown from one to 50 annual awards, investing over \$350,000 and impacting more than 100 students and nonprofits.

# Great CRA Stories here in Virginia!

## Dollar Bank, FSB

**City/State:** Virginia Beach, VA

**ABA Asset Size:** Medium

**Program Name:** Fatherhood Program for Formerly Incarcerated Individuals

Since 2010, the mission of the Fatherhood Program is to generate awareness of the importance of a father's participation in the lives of his children, and to promote social behavior and practice that monetary child support is not viewed as debt but as a responsibility. This program also provides males re-entering society from incarceration the opportunity to learn a trade, learn how to start a business (if desired), become financially literate, how to begin and/or improve their personal finances and provide generational wealth for their children and families, how to purchase a home and become good citizens in our society. Portsmouth Social Services and ESHR Inc. provide this program free of charge to any man living in the City of Portsmouth. The program is conducted in 10-week hybrid in-person and virtual meetings three times a year.

# Great CRA Stories here in Virginia!

## Primis Bank

**City/State:** McLean, VA

**ABA Asset Size:** Small

**Program Name:** Wrapping Our Seniors Up with Love

Wrapping Our Seniors Up with Love: How you – caregivers, bankers, and law enforcement – can prevent elder financial abuse Elder Financial Abuse has become a national crisis. According to the Department of Justice, 2.6 million persons 65 or older have been victims of identity theft but only one in 44 victims reports the crime. As fraud and cybercrime incidents rise, more and more criminals are targeting seniors. Diane Beirne, director of corporate social responsibility at Primis Bank, has collaborated with Alison Martin, assistant commonwealth's attorney of Henrico County, local police and other organizations to educate seniors and their loved ones on the dangers of elder financial abuse, ways to identify common scams and how to safeguard your family. This public-private partnership is a unique initiative between the bank and the Commonwealth's Attorney's Office.

# The VBA Education Foundation est. 2007



## Programs:

- Financial Literacy Toolkit,
- Virginia Reads One Book,
- Teach Children to Save,
- Get Smart About Credit
- VBA Bank Day Scholarship
- VBA Banking Fellows

- The Foundation's mission is to improve personal financial literacy and economic education in the Commonwealth. The Foundation recognizes the importance of economic education and financial literacy in Virginia and supports the banking industry as a key participant in these areas.

# How can you make a difference in your career, the Bank's community and your community

## Volunteering for Career Advancement:

- Builds leadership capacity
- Expands your network
- Gives you stories and experiences you can talk about in interviews
- Informs what kind of impact and work motivates you
- Helps you settle into new cities
- Provides a meaningful way to stay connected to purpose alongside your day to day role

## Ways to get involved:

- Volunteering in the community
- Young professional boards
- Investing in future talent
- Advocating for your favorite causes
- Leveraging your skills and talents to help a CBO
  
- <https://www.cfengage.org/search>
- Church
- Local Animal Rescue
- Junior Achievement

THANK YOU!!!

## Question and Comments?

Find me on LinkedIn: Nathalia Daguano Artus  
and catch up with me for a cup of coffee

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