Building Bank Support for Asset Building Initiatives

Office of the Comptroller of the Currency
U.S. Department of the Treasury
Banks as Partners in Financial Capability

• The Community Reinvestment Act (CRA) encourages banks to participate in activities that promote community development (CD) for LMI persons or small businesses.

• Bank support for financial capability programs may receive positive CD consideration under CRA.

• FinCap programs targeted to low- and moderate-income individuals and families may receive CRA consideration as retail banking or community development service.

• Workforce or small business FinCap programs targeted to LMI workers or small businesses may also receive CRA consideration.
Types of Support

• Loans

• Qualified Investments *(includes grants)*

• Services
  – Retail Banking Products
  – Community Development Services
    • Certain Bank Volunteer Activities
    • Technical Assistance Activities
Examples of CD Loans

• Loans or Investments in:
  – Financial intermediaries including:
    • Community Development Financial Institutions (CDFIs)
    • Community Development Corporations (CDCs)
    • Community Loan Funds
    • Minority & Women-Owned Financial Institutions
    • Low-Income or Community Development Credit Unions
  – Local, State or Tribal Governments
  – Low-Income Housing Tax Credits
  – New Market Tax Credits

*Interagency Questions and Answers Regarding Community Reinvestment (2016)*
Examples of Qualified Investments

Financial support to:

- Not-for-profit organizations serving LMI or other community development needs, such as counseling for credit and other financial literacy programs

- Enable a(n) MDI or LI CU to partner with schools or universities to offer financial literacy education to members of its local community

*Interagency Questions and Answers Regarding Community Reinvestment (2016)*
Examples of CD Services

- Providing credit counseling or other financial services education to promote community development to assist LMI borrowers
- Establishing school savings programs
- Developing or teaching financial education/literacy curricula for LMI individuals

*Interagency Questions and Answers Regarding Community Reinvestment (2016)*
Retail Banking Services

Examples of retail banking services that improve access to financial services, or decrease costs, for low- or moderate-income individuals include:

• Low-cost deposit accounts
• Individual development accounts
• Free or low-cost check cashing services
• Reasonably priced international remittance services
Individual Development Accounts

Financial institution participation in IDA programs comes in a variety of forms, including providing:

- Retail Banking Services to IDA accountholders
- Matching Dollars or Operating Funds to an IDA program
- Designing or Implementing IDA programs
- Consumer Financial Education to IDA accountholders
VITA

• Offering low-and no-cost accounts in which the tax refund may be directly deposited

• Offer grants to community organizations providing VITA services

• Donate staff resources to coordinate VITA tax preparation sites, expand outreach, and conduct financial education and literacy programs

OCC Fact Sheet: Bank Savings Incentive Programs
BankOn

- Savings incentive programs targeted to low- and moderate-income individuals and families may be deemed responsive to community needs and may receive positive consideration under CRA

- For example, a bank may offer financial services, including low-cost savings and checking accounts that have a primary purpose of benefiting LMI families

OCC Fact Sheet: Bank Savings Incentive Programs
Youth Programs

• Supporting Youth Employment Programs
  – Summer Jobs Connect
  – CFE & Citi Foundation

• Establishing School-Based Savings Programs

• Establishing School-Based Bank Branches
Work & Small Business Programs

• Direct deposit an amount of wages via payroll deduction into bank savings accounts

• Seminars conducted in partnership with employers or job training programs that target LMI workers

• Providing asset-building programs, financial education or technical assistance to business development centers and small business incubators
Disaster Recovery
Asset Building & Financial Resilience

Banks and other partners, supported a United Way matched savings program, that encouraged financial capability and resilience

• Displaced residents could take advantage of the programs to help them rebuild and return to hard-hit neighborhoods.

• Funds could used for homeownership, to start certain businesses or to purchase a car.
www.occ.gov/communityaffairs
“Community Affairs Publications”
“Community Affairs Resource Directory”

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