Data, Accountability, and the Public: Using Community Reinvestment Act Data for Local Community Development

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Abstract

Community development corporations (CDCs) are place-based, resident-led organizations committed to revitalizing neighborhoods and expanding opportunities for low- and moderate-income residents. The Community Reinvestment Act (CRA) shares a place-based focus, as it was intended to hold banks accountable for their activities in all parts of their service areas—including the low- and moderate-income neighborhoods where CDCs operate. This article discusses the disconnect between the mandated CRA process and the type of information on banking activity that would be useful for local organizations working on community revitalization. It presents a case study from the city of Holyoke, Massachusetts, detailing a partnership between a university and a CDC, focused on federal CRA performance in the low- and moderate-income area the CDC serves. Students reviewed performance evaluations of seven banks and, working with the CDC, prepared an examination of the findings. Conclusions of the research include the inadequacy of CRA performance evaluations and data for local CDCs and the lack of a documented deep analysis of community needs. Actions that regulators, banks, and CDCs can take to improve the CRA process are discussed.

Introduction

The federal Community Reinvestment Act[1] (CRA) of 1977 was part of a larger multipronged federal response to discriminatory practices in real estate and lending, urban disinvestment, and a consumer protection movement (Squires, 1992). Adopted shortly after the Home Mortgage Disclosure

[1] Pub. L. 95–128, 91 Stat. 1147, Title VIII.

Act[2] (HMDA) of 1974,CRA was based on the principle that "regulated financial institutions have a continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered."[3] CRA had multiple purposes, but one received a lot of traction with community groups: to assess and correct for *deposit redeployment*—banks failing to invest in areas where they collected deposits (Bradford and Cincotta, 1992; Marsico, 2005). Beyond this purpose, CRA was seen as a market-correction action (Avery, Bostic, and Canner, 2005; Olson, Chakrabarti, and Essene, 2009), surfacing information on local needs and conditions to get beyond the banks' ignorance of certain geographies and perceptions that there was no demand nor sound basis for loans in low- and moderate-income (LMI) neighborhoods (Ludwig, Kamihachi, and Toh, 2009; Marsico, 2005). CRA was meant to make banks more knowledgeable about and responsive to the financial needs of local communities. In addition, CRA was seen as a logical quid pro quo—public services in exchange for the "federal safety net" provided to banks and thrifts (Immergluck, 2004; Ludwig, Kamihachi, and Toh, 2009; Marsico, 2005; Olson, Chakrabarti, and Essene, 2009).

CRA's intent to ensure banks attend to the needs of all parts of their service areas—including those places that are home to LMI households—dovetails with the work of community development corporations (CDCs). As place-based, resident-led organizations, CDCs have worked tirelessly to address community needs in distressed and declining areas (Mallach, 2009). CDC-led programs are very diverse and may include affordable housing development, small business entrepreneurship, vocational training, youth programming, community greening and local food system improvements, environmental cleanups, and other quality of life concerns. The work of these programs requires funding and often relies on leveraging an assortment of sources. Banks can assist CDCs by providing some of the capital, loans, and technical assistance needed for community improvement efforts to succeed. In addition, banks traditionally have played a role in the vitality of neighborhoods by meeting the ongoing day-to-day financial needs of local businesses and residents. CDCs often advocate, on behalf of the community members, for access to services such as business loans, payroll processing, lines of credit, home mortgages, car loans, and check cashing, at affordable rates.

Discussions on the effectiveness of CRA have consistently noted the critical role that organized groups, such as CDCs, and the wider public play in the CRA process. CRA was written with very weak enforcement authority (Immergluck, 2004). The bank regulators were charged with "encouraging" banks to fulfill the objectives of CRA. The law requires banks to periodically submit data for a regulatory review, and this review leads to a rating of the bank's performance. CRA only has true teeth when a regulator is considering a banking institution's application to open or close a branch or to acquire or merge with another institution (Marcy and Miller, 1993; U.S. Department of the Treasury, 2003). It is then that the regulating authority may consider the bank's CRA rating, and the public and community organizations have a formal opportunity to comment on the bank's CRA performance.

As expressed by Gale Cincotta, one of the main citizen leaders behind the adoption of CRA, "full responsibility for the enforcement of CRA has always been the job of people in the neighborhoods"

[2] Pub. L. 94–200, 89 Stat. 1124.

[3] 12 U.S.C. § 30.

(quoted in Immergluck, 2004: 3). Similarly, former Ohio Congressman Denis Kucinich observed CRA "was borne out of public protest and sustained by public participation" (House Subcommittee on Domestic Policy, 2009: 4). A large part of the power of CRA, then, has come from an accountability to the public facilitated by the disclosure of data (Littrell and Brooks, 2010; Squires, 1992). The requirement to publish figures on the geography and borrower profiles of mortgage lending, small business loans, and community development activity has forced banks to consider and document their activity in LMI areas—the very places where CDCs work.

Today's less-local banking environment, combined with CRA's generalized reporting requirements, often fails to provide the accountability CDCs seek. NACCED (2005) estimated that more than 4,000 CDCs are in the United States, and two-thirds of them work within one neighborhood, several neighborhoods, or one city. For these small-scale organizations, the nature of the aggregated data reported under CRA is not useful for assessing the activity of banks in their neighborhood target areas. Although the transparency of data is important, the form and content of information also determines its suitability for assessing impacts. A lack of precision can weaken accountability.

Background on Community Reinvestment Act Data and Ratings

The CRA implementing regulations specify the types of data banks must report. These requirements have evolved over time, both to be more specific and to streamline the process for smaller institutions (Alexander, Dahl, and Spivey, 2009; Getter, 2015). Although the CRA domain is complex (it involves three regulating bodies, four different bank categories, varying examination schedules, and pages of definitions and examples), regulators have developed a common explanatory narrative—the "Interagency Questions and Answers" and other manuals—to assist banks in meeting their reporting obligations.[4] A performance evaluation (PE) is generated by the appropriate regulator, is based on a review of a bank's submittal and, due to a 1989 amendment to the original CRA legislation, must be available for public review.[5]

Exhibit 1 summarizes the data banks report annually through CRA, based on the size of assets. In general, larger banks must report more information with greater specificity. All banks are required to report on their lending activity in terms of home mortgages, small business loans, and consumer loans. Banks report figures annually, and, depending on their size, the data indicate the total dollars, number of loans, percentage of loans in LMI census tracts, and loans by income of borrowers. Small business loans are defined as nonfarm loans with original amounts of $1 million or less.

Bank reviewers consider the reported overall loan-to-deposit ratio as part of their assessment of how well the banks are meeting the credit needs of their service areas. Regulators are looking for a "reasonable" loan-to-deposit ratio (FFIEC, 2015). A low loan-to-deposit ratio (for example, less than 80 percent) would be reason to look more closely to see if a bank is not making enough loans

[4] See http://www.ffiec.gov/cra/ and http://www.ffiec.gov/cra/pdf/2010-4903.pdf.

[5] With the 1989 amendment, CRA data mirrored the expansion of HMDA filings. When first adopted, HMDA reported only mortgage originations by census tract; in 1989, reporting was expanded to require applications also and to break down the data by race, gender, and household income.

Exhibit 1

Generalized CRA Data Reporting by Bank Type

Bank Size	Lending	CD Investments	CD Services
Small (less than $305 million in assets)	Loan: Deposit ratios and the number, amount, and geographic (LMI CT level) and income distribution of mortgage, small business, and consumer loans (as applicable).	—	—
Intermediate small ($305 million–$1.221 billion in assets)	Loan: Deposit ratios and the geographic and income distribution of mortgage, small business, and consumer loans (as applicable). Small business loans include the number, total amount, and percent in LMI CT. Mortgage loans: HMDA requirements.	—	Branch locations within AA and other types of services provided, including technical assistance to community organizations.
Large (more than $1.221 billion in assets)	Loan: Deposit ratios and the geographic and income distribution of mortgage, small business, and consumer loans (as applicable). Small business loans include the number, total amount, and percent in LMI CT. Mortgage loans: HMDA requirements.	Listing of number and dollar amount.	Branch locations within AA and other types of services provided, including technical assistance to community organizations.
Wholesale/limited purpose	Can choose one: CD investment, CD loans, or CD services.	Can choose one: CD investment, CD loans, or CD services.	Can choose one: CD investment, CD loans, or CD services.

AA = assessment area. CD = community development. CRA = Community Reinvestment Act. CT = census tract. HMDA = Home Mortgage Disclosure Act. LMI = low- and moderate-income.
Note: The asset limits that define categories fluctuate with the Consumer Price Index.
Sources: Avery, Bostic, and Canner (2005); FFIEC (2015)

in its service area; a high ratio (for example, greater than 90 percent) could be reason for concern about whether the bank has adequate funds on hand to cover unexpected demands (Trefis Team, 2015). Banks that must comply with HMDA complete multiple tables, breaking down home mortgage lending activity by borrower race, borrower income classification, and home location. Larger banks may also list community development loans, including loans to support the development of affordable housing or the establishment of a community facility to serve LMI residents. Large banking institutions list any "community development investments" they have made. This category includes investments or grants for a wide range of activities, including affordable housing development, homelessness services, daycare and job training, youth programs, and investing in a local Community Development Finance Institution (CDFI).

Banks that are classified as "intermediate small" and "large" must also include information in the category of "community development services." Services are assessed by considering the location of bank branches and whether the bank has worked with local community groups to support community development activities. According to official guidance, these services could include providing technical assistance on financial matters by having bank personnel serve on the board of a nonprofit organization, offering financial literacy classes, providing credit and foreclosure prevention counseling, reviewing CDC rehabilitation loans, and more (OCC, 2014).

The legislation deliberately avoided establishing set quotas for community development lending, investments, and services, and thus regulators and community groups have no benchmarks to use in assessing activity in these categories (Avery, Bostic, and Canner, 2005; Bradford and Cincotta, 1992). Nevertheless, community groups successfully used CRA (and its sister, HMDA) to improve the performance of banks in LMI areas during the late 1980s and 1990s, when banks were growing rapidly and mergers were frequent (Holyoke, 2004; Squires, 1992). Agreements reached between CDCs and banks established special pools of funding and new loan initiatives for community and economic development activity.

In PEs, regulators review all the data (as outlined in exhibit 1) and assign one of four overall CRA ratings; they consider the performance context in which the bank operates, for example, overall market conditions, the bank's structure, the amount and nature of bank competition, and the economics and demographics of the service area. From highest to lowest, the possible ratings are outstanding, satisfactory, needs improvement, and substantial noncompliance (FFIEC, 2015). These ratings are widely seen as subjective and have been documented as inconsistently interpreting the same figures across regulatory agencies and reviewed institutions (Alexander, Dahl, and Spivey, 2009; Immergluck, 2004; Marcy and Miller, 1993; Marsico, 2005). Today, the landscape after the banking crisis consists of five main banks with 44 percent of the assets and nonbanking financing institutions (which are not subject to CRA) on the rise; the community reinvestment climate is subdued as banks find their footing, and the role of CRA appears to have declined (Rosengren and Yellen, 2009; Schaefer, 2014).

Research Methodology

Working in the spring of 2013 with the CDC Nueva Esperanza of south Holyoke, Massachusetts, a team of three undergraduates and one faculty member researched the CRA performance of banks operating within the city. Nueva Esperanza sought a general profile of banking services for residents of the neighborhood and a review of the performance of banks in Nueva Esperanza's service area along two criteria: the nature and level of community development loans, investments, and services; and loan activity levels to small businesses. Given that the housing stock of the neighborhood presented extremely few opportunities for homeownership, the CDC was not interested in reviewing the HMDA data.[6] Students completed the data gathering and analysis, meeting regularly with the staff and board members of Nueva Esperanza for feedback and direction. The objective of the CDC was to understand the banking activity and services in the area before directly approaching banking institutions. Nueva Esperanza was thinking strategically about which banks to approach for support with a Latino small business entrepreneurship initiative and with the revitalization of mixed-use properties in the heart of the neighborhood. The strategy was to focus on presenting an ask to the banks with a less-stellar performance in the neighborhood, which would be informed by a knowledge of the activity of all the banks in the city.

[6] Massachusetts has a state Community Reinvestment Act, but these reviews are coordinated with the federal CRA so, for purposes of this research and given time constraints, only the federal CRA documents and processes were examined.

The first step was to determine which banks should be reviewed. An assessment of bank locations (using bank websites, Google map searches, and field observations) found no bank branches in Nueva Esperanza's immediate focus area, census tracts 8114 and 8115, but seven banks within the city as a whole (see exhibit 2). A part of the assessment included locating and mapping all alternative financial service providers serving the area, including automated teller machines (ATMs) and payday loan operations nearby. Following the identification of the banks operating in Holyoke,[7] the online CRA Performance Evaluations data bank was used to locate the most current PE for each institution,[8] and the online PE documents were reviewed prior to the arranged site visits. After the review, phone calls were made to the financial institutions to request an opportunity to review the public CRA files. The public CRA files contain the same online PE, and any correspondence received by the bank concerning its performance—including any complaints or commendations. As none of the files reviewed contained any correspondence, the following findings were based on the PEs alone.

Exhibit 2

Summary of Federal CRA Performance Evaluations for Banks in Holyoke, Massachusetts

Bank Name	Exam Date	City, State HQ	Overall CRA Rating/ Bank Size	Regulator
Bank of America	3/31/2009	Charlotte, NC	Outstanding/ large bank	OCC
RBS Citizens, NA	4/03/2010	Providence, RI	Satisfactory/ large bank	OCC
Peoples Bank	11/07/2011	Holyoke, MA	Satisfactory/ large bank	FDIC
People's United Bank	10/05/2009	Bridgeport, CT	Outstanding/ large bank	OCC
TD Bank, USA	12/31/2011	Portland, ME	Outstanding/ large bank	OCC
United Bank	10/29/2012	West Springfield, MA	Satisfactory/ large bank	OCC
Westfield Bank	4/05/2010	Westfield, MA	Satisfactory/ intermediate small bank	OTS

CRA = Community Reinvestment Act. FDIC = Federal Deposit Insurance Corporation. HQ = headquarters. OCC = Office of the Comptroller of Currency. OTS = Office of Thrift Supervision.

Note: Two other banking institutions, First Niagara Bank and Holyoke Credit Union, are not included, because First Niagara Bank was new to Massachusetts, and the Holyoke Credit Union is not subject to federal review.

[7] Credit Unions are exempt; one bank was new to the area and thus did not have a PE.

[8] See https://www.occ.gov/topics/compliance-bsa/cra/perfomance-evaluations-by-month/index-perfomance-evaluations-by-month.html.

Findings

From this research of online sources, face-to-face meetings, and document review, themes emerge on the shortcoming of CRA PEs. The shortcomings, described here, have to do with the nature of data collected, the ease of access to the data, and the mismatch between the data and the work of CDCs.

Mismatched Scale of Data Reporting

Under CRA regulations, banks report information for a self-defined *assessment area* (AA), which is generally quite large. Guidance on defining the AA stipulates—

> … assessment areas must consist generally of one or more metropolitan statistical division (MSA/MD) or one or more contiguous political subdivisions such as counties, cities, or towns. An institution must include the geographies in which its main office, branches, and deposit-taking ATMs are located as well as the surrounding geographies in which it has originated or purchased a substantial portion of its loans. (FFIEC, 2015: 7)

The AA scale of data makes it difficult to determine community development activity within the much smaller target area of the CDC. Of the seven institutions reviewed, five were large banking institutions with multiple AAs and multistate AAs, one 1 was a large institution using the local metropolitan statistical area (MSA; 2 counties for a total of 124 census tracts) for an AA, and one was an intermediate small bank, with an AA of 1 county plus 6 political subdivisions (a total of 94 census tracts)., The regulators reviewed only a sampling of the AAs of the most geographically extensive of the large institutions. Even when the AA chosen included the 2 census tracts of interest to Nueva Esperanza, the size of the AA was at least that of the entire county. The PEs included the total number and amount of small business loans, along with an overall percentage of the banks' small business loans in LMI census tracts within the defined AA. It was not possible to determine if a bank's small business loans went to census tracts 8114 and 8115.[9] Community development loans, investments, and services were reported in various forms. For four banks, the community development information consisted of the minimal requirements—the total number, amount, and generic type of project (for example, homeless shelter)—and only three banks included references to the specific community location, organization involved, or project name. Thus, in general, it is not possible to determine if the community development activity happened within census tracts 8114 or 8115, or even more generally within the city of Holyoke (which has 11 total census tracts). Of the seven banks reviewed, only one bank specifically reported community development loans or investments for projects in the city of Holyoke. It is important to realize that the PEs that were reviewed covered such large areas that a CDC in a separate city within the same MSA (Springfield, MA) would be looking at exactly the same information. Given that the financial institutions serving the census tracts in question, and the city in general, are large, the defined AAs are geographically extensive.

[9] The CRA Aggregate Reports, however, provide the ability to see the overall (from all banks) small business activity by census tract (see http://www.ffiec.gov/cra/online_rpts.htm). Small business loans may legitimately require a level of privacy that would preclude identifying information. Privacy would seem less applicable to community development activities, however, as community development loans and grants are most often part of a larger public funding or regulatory process that includes public disclosure of information.

Generalized Level of Detail

As stated, the information in the PEs on community development loans, investments, and services was extremely generalized and included no specific details on the structure of the loan, investment, or services. It was not always possible to determine in which census tract the community development activity was located. For all but three of the listings, the specifics of the organization receiving the loan, the project location, or both were not disclosed. Typical listings included language such as—

> An officer serves on the Board of a local housing organization that provides programs targeting LMI individuals and families. (OTS, 2010)
>
> Twenty-four community development grants made by the foundation were reviewed to verify eligibility. These grants totaled $379 thousand, and each provided significant assistance to LMI persons, affordable housing assistance, and/or neighborhood stabilization. (OTS, 2009)
>
> The largest investments in the Springfield MSA totaled $3.9 million and consisted of LIHTC [low-income housing tax credit] projects which provided more than 400 housing units affordable to LMI families. The bank also invested $290 thousand in one CDFI. Other investments consisted primarily of contributions to local or regional organizations providing economic development, affordable housing, community services or activities that revitalize or stabilize LMI geographies. (OCC, 2009)

These overly generalized descriptions make it impossible to determine if any of the aforementioned efforts occurred in the focus area of the CDC.

Lack of Community Development Benchmarks

PEs combine quantitative and qualitative information and do not establish minimum benchmarks for community development activity. In this study, it was not possible to assess if PE ratings reflected differing standards based on bank size. For instance, Peoples Bank had local deposits far exceeding many of the other banks (anywhere from 4 to 25 times greater than the deposits of other banks in the city), yet its community development portfolio did not seem to reflect such a comparable level of activity (see exhibit 3). Loan and investment activity were not substantially greater, but the PE does note Peoples Bank had a higher level of community development grantmaking than other institutions.[10] Given the subjective evaluation of loans, investments, and services and the regulators' directive to consider the "performance context," it is difficult to draw a direct conclusion about the level of community development activity reported or about how the bank evaluators used performance context in the assessment, which garnered the bank an overall "satisfactory" rating. The comparison, in terms of number of loans and total amount, would not appear to be proportionate to the level of deposits the institution holds. The findings in the study team's final report to Nueva Esperanza highlighted the importance of reaching out to Peoples Bank.

[10] Note that the community development activities are for the entire AA, whereas the deposits are for the city of Holyoke alone.

Exhibit 3

Total Deposits in Bank Branches as of June 30, 2012, and CD Activity From PEs

Bank	FDIC #	Deposits—All Holyoke Locations ($)	Percent of Bank's Total Hampden County Deposits	Percent of Bank's Total Massachusetts Deposits	Qualified CD Activity in AA From PE
Bank of America	3510	75,461,000	7.1	0.1	Not Specified for AA
Peoples Bank	90213	344,801,000	32.7	25.5	8 loans $1.2 million
					Investments $1.6 million
					419 grants $1.2 million
People's United Bank	27334	35,435,000	16.0	1.1	21 loans $12.7 million
					Grants $264 thousand
RBS Citizens, NA	57957	14,499,000	4.4	0.05	5 loans $5 million
					2 investments $434 thousand
					27 grants $358 thousand
TD Bank, NA	18409	24,836,000	1.8	0.2	17 loans $16.9 million
					94 Investments $13 million
United Bank	26486	90,438,000	8.8	7.1	9 loans $1.1 million
Westfield Bank	90300	23,033,000	3.1	3.1	7 loans $2.2 million
					Investments $2.6 million
					28 grants $283 thousand

AA = assessment area. CD = community development. FDIC = Federal Deposit Insurance Corporation. PE = performance evaluation.
Note: To get these data, visit http://www2.fdic.gov, choose Industry Analysis, Banks and Statistics, then enter bank of interest, and once selected, choose Summary of Deposits, CD Activity from PE reports.
Source: http://www2.fdic.gov

Unfriendly Data Portal Design

Although the regulating bodies have made efforts to make the PEs available and have websites with useful guides and information, the very nature of banking structures meant the PE database was not easy to use. Challenges included determining the precise name of the banking institution as listed in the database and matching it to the local bank under review. This issue is exacerbated by the multistate institutions, which may be headquartered in some distant city and do business under a variety of names. In one instance, the bank's most recent PE (2 years old) was not available through the database and had to be requested through the bank. Although the database enables searching in a variety of ways, it does not provide contact information for the CRA-regulating agencies. It is a multistep process to first determine the bank's regulating agency and then search for its PE. An additional finding about online access had to do with the banks' own websites. None of the websites had any information on CRA officers or PE access. Most bank websites are structured as retail outlets and department and personnel listings are nonexistent. In fact, in some cases, the websites did not even list branch addresses.

Defensive Gatekeeper Attitudes

Although we reviewed online PEs before going to the banks, when making the site visit, we requested the public CRA file and the most recent PE. Callers identified themselves as students, and if asked also identified with which CDC we were working. The reaction and treatment we received varied greatly. At most institutions, our initial phone inquiry caused confusion, as few of those answering the phone knew what CRA was or to whom to direct us. When we arrived for our file reviews, two banks provided a private space for our use, and one gave us the PE to review on our laps in a crowded office while the manager sat at the desk and conducted business. One, appearing disquieted, asked for details on our research and followed up by searching Nueva Esperanza online. Further, all the bank employees with whom we interacted (at least one of whom had worked for the institution for 20 years) noted that they had never had a request, prior to ours, to review the public CRA file. All the bank employees seemed to be unaware that the PEs are available online, and some provided inaccurate information regarding the policy for providing us with copies. None of the CRA files had any public comments or letters from organizations; in each case the entire file consisted only of the PE.

Narrow Breadth of Information

Some information relevant to the study was not available (and is not required) in the PE. One notable exclusion is information about whether the bank had declined to participate in any community development activities. In addition, PEs provide little explicit information on the bank's evaluation of community needs, despite the CRA legislation stipulating that banks must consider and respond to such needs. One connection that was lacking was any reference to government plans or analyses that could be relevant, including housing or economic development plans, urban renewal strategies, affordable unit preservation efforts, or Community Development Block Grant planning documents. These documents are good sources of housing need evaluations, often drawing from census data and mapped U.S. Department of Housing and Urban Development (HUD) analyses.

One PE contained a statement attributed to an unnamed local community development person that explained, for one community within the AA, "further development opportunities were limited due to the town having already developed most available land" and thus that community did not provide any opportunities for affordable housing (OTS, 2010: 6). This statement distorts the potential, as affordable housing opportunities can be created through redevelopment and adaptive reuse, and the community noted was only one of many in the AA. Further, Massachusetts is a housing "fair share" state, and the community in question fails to meet the Massachusetts housing goal of 10 percent of the housing stock being affordable. In fact, for the municipality in question, the figure was only 3.5 percent (publicly available information). To clarify, this statement was reported by a bank evaluator—not the bank.

In addition, the Massachusetts Community and Banking Council has developed a voluntary program titled the Basic Banking Checking/Savings Account. Banks are encouraged to offer very low-fee, low-minimum-deposit accounts to meet the needs of low- and working-class households for affordable banking (MCBC, 2016). None of the banking institutions mentioned this program, although two of them participate by offering Basic Banking checking accounts. Nueva Esperanza was interested in bank participation in this program, given the needs of unbanked households in their target area. The Corporation for Enterprise Development reports that 17.8 percent of Holyoke households are unbanked and another 18.9 percent are underbanked (CFED, 2016), and Nueva Esperanza wanted to see how Basic Banking was addressed in CRA PEs.

Conclusions

Research on CRA has highlighted the critical watchdog role community groups can play in keeping banks accountable to the communities they serve. If CDCs are to play this role, however, the CRA PE data must be accessible, comprehensible, complete, and relevant. Our research made it clear that the PE data fall short of those goals in some communities, and that some basic ways of accessing the data could be improved to simplify and improve community-level monitoring of banks.

Although website availability is an improvement over having to travel and collect or view CRA documents at bank locations, the current websites are not particularly user friendly. Determining the proper name to use for the banks in the search functions is not obvious, nor is knowing how to follow the multistep process of identifying the regulatory agency to locate the most recent PE. Although the websites likely work well for the well-informed and repeat users, for CDC staff attempting to add CRA monitoring to their workload, the websites are difficult to use. If banks simply included CRA contacts on their websites, made regulatory contacts available at the CRA search websites, or both, access to the data would be easier. A list that connects the local bank name with the formal listing name would be helpful.

One of the well-known strengths of CDCs is their place-based nature (von Hoffman, 2012). A trend toward citywide or regionwide CDCs has occurred, but many CDCs still strongly identify with (or are eponymously named for) a portion of a city. Given the size of today's banks (and the streamlining of CRA reporting for smaller banks) few data are reported at a scale that can be aligned with the scale at which CDCs often operate. Although some of the banks we reviewed provided identifying information about community development activities (for example, organization involved and location of project), this information is not required, and many left the information in the public document at a very generalized level. Scale is also a concern when it comes to determining a rating for banks. In a testy 2009 exchange between then-Congressman Denis Kucinich and Sandra Braunstein, then Director of the Division of Consumer and Community Affairs for the Board of Governors of the Federal Reserve System, Braunstein explained how large AAs can mask problems in portions of the areas that large banks serve.

> This is a rating that is done by looking at the totality of banks serving their community needs and depending on the size of the institution that would make a big difference. … If you have one of these huge national institutions and they have a problem in one little market, and then in the other 150 markets they are serving they are doing just fine, how much do you weigh that—I mean these are subjective judgments. (House Subcommittee on Domestic Policy, 2009: 97)

Although the data in the PEs are presented in clear, standardized summary tables, the data are often at an aggregated level that does not align with the target areas of CDCs. For the CDC we were working with, it was not possible to determine if the community development activities reported were geographically dispersed across a large area or concentrated in a portion of the bank-defined AA. The low level of information PEs provide on community development activities, and the lack of benchmarks, leaves the impression that CRA undervalues community development investments and services. Mapping community development activities, or at least identifying the census tract (as is required for home mortgage and small business loans), would provide a more useful picture. Another approach would be for CDCs to consider the promotion of a local responsible banking ordinance that could seek more specific data. Such regulations reward banks receiving high PE ratings with municipal banking business.[11]

Despite the pubic availability of PE reports, some of the banks with which we interacted during our research were defensive about sharing the reports. CRA is used poorly—if at all—by community groups in western Massachusetts, and some banks are uncomfortable with the public review of the documents. Once we connected with the right people at the banks, the information was forthcoming, but most preliminary-level bank personnel were unaware of CRA. Banks could promote more positive and effective interactions by posting the CRA officer online and in the premises so the interested public can begin with the person who knows the most about the PE reports. Local community organizations should take up the role of regularly reviewing and commenting on PEs for banks operating within their focus areas. Despite the mismatch between data reporting scale and CDC actions, CDCs should reach out to banks to let them know of local- or neighborhood-level needs and to comment on the types of community development work reported in the PE reports. Not communicating is a missed opportunity to increase the banks' awareness.

Finally, our review of seven bank CRA PEs found that many sources of information are not referenced in the PE reports, including sources of data on community needs and the ways banks can provide services for LMI households. In an age of big data, it seems inefficient for the large investments in data preparation completed by a federal agency (for example, HUD data on housing needs or Federal Deposit Insurance Corporation survey results on the unbanked) to go unutilized in federally mandated reviews. The PEs do not present a detailed analysis of needs, yet many relevant sources of readily prepared data on housing needs could be referenced and used as comparisons to the bank-reported data. Having banks more explicitly engage with these analyses (if available), or having regulators use them to inform the performance context portion of reviews, seems like an appropriate way to make sure banks and regulators are aware of unmet needs and gaps in community development finance. Several recent publications have stressed the value of complete and insightful performance context narratives. A publication by the National Community Reinvestment Coalition stated, "the foundation of a rigorous CRA exam, particularly for the analyses of community development lending and investment, is rigorous performance context analysis" (Silver, 2016: 26). This report notes the typical PE lacks the indepth and unique analysis needed for a meaningful comparison between needs and services. In addition, a recent report by the Federal Reserve Bank of San Francisco suggests that banks, although not required to, could benefit from completing and sharing their own performance context analysis with regulators (Choi and Dowling, 2014).

[11] The ordinances are aimed at empowering municipalities with better data, but a recent New York State case has put their fate in limbo. See http://www.ncrc.org/media-center/press-releases/item/1047-ncrc-statement-on-court-ruling-to-overturn-new-york-city's-responsible-banking-act.

In many ways, CRA is an awkward and cumbersome structure for banks to report on how they are meeting the needs of the communities in which they operate. The fact, however, that regulators conduct performance reviews, and that these reviews are public, is a good thing. Certainly, the banking landscape has changed dramatically since the conception and passage of CRA, and thus room for improvement exists. Considering the changes in the economy and banking, revisiting the usefulness of the present PEs is appropriate. Concerns about banking access continue, and options for affordable and community responsive banking continue to be explored (see, for example, Servon, 2017). As CDCs remain strong local agents of change, making sure data on bank activity are more easily accessible and meaningful can translate into informed advocacy for equal access and creative cooperation in the design of needed community development initiatives.

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