

Bank Reinvestment



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The Responsible Banking Act only works if we participate.

Now is the time for the community to make its voice heard.

Next RBA Public Hearing: Annual Report
Wednesday, September 9, 2015, 6-8pm
209 Joralemon St, Brooklyn, NY

Tell the City how NYC Depository banks are meeting the needs of your community:

- What are banks doing that helps your community?
- What are banks doing that harms your community?
- What should these banks be doing better, different, more or less?

Over \$150 billion of New York City's money flows to and through banks, which hold roughly \$6 billion in deposits at any given time. The RBA lets the city use the power of that money to hold banks accountable to better meet the needs of our local communities. **This RBA gives us a powerful tool to hold banks accountable and reward the best local practices.**

It all starts with the **Community Investment Advisory Board (CIAB)** which gathers data, holds hearings to get public input, and publishes what they find out. The Board creates two reports: (1) the **Needs Assessment** about community needs and (2) the **Annual Report** about how banks are responding to those needs

The NYC Banking Commission will get the two CIAB reports to help them understand which banks are meeting community needs. The NYC Banking Commission **decides which banks are allowed to hold city deposits.**

Your Feedback matters! Give public testimony for the annual report when it happens (dates to be decided) and you can always give feedback on how banks are doing:

- Fill out the [CIAB's survey online](#) and encourage your members to do so
- Submit testimony in writing via the contact link on the [CIAB website](#)
- Snail mail it to them: NYC Department of Finance, Community Investment Advisory Board, Treasury Division, 66 John Street, 12 Fl, New York, NY 10038

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ANHD's Responsible Banking Campaign Work:

Responsible banking is critical to the work of ANHD member organizations to build and preserve affordable housing, create quality jobs, and provide community services. Thanks to the Community Reinvestment Act (CRA), banks are required to be more than just profit-seeking businesses. The CRA states that banks have a continuing and affirmative obligation to help meet the credit needs of the low- and moderate-income neighborhoods in which they do business, consistent with safe and sound business practices. Thus, if a bank takes deposits or does business in a neighborhood, it must provide all of its services equitably.

The fundamental principle of the CRA is that *all communities* rely on banking services and those services must be provided in an equitable manner. They must incorporate significant community benefits into their business models, and work to meet local credit and service needs. In return, banks receive significant taxpayer-backed public benefits, including access to credit from the Federal Reserve discount window and FDIC deposit insurance. And, as we learned from the recent financial crisis, banks also benefit from a federal safety net whereby the government can provide emergency financing to banks in times of crisis.

The banking world has changed rapidly over the past two decades. The banking industry has since undergone massive consolidation, and is increasingly dominated by multi-regional, national, and international institutions. This has challenged the clear premise of the CRA that banks are required to help meet the credit needs of the local communities in which they do business. Simply put, the CRA requires banks to act locally, but report regionally, which makes accurate analysis difficult. **ANHD believes that reinvestment is most effective if the bank has a clear understanding of the local issues and needs of the community and how the bank's reinvestment activity will address them.**

ANHD's Bank Reinvestment Activity includes:

1. **State of Bank Reinvestment in NYC.** This is a yearly report that uses original bank-reported data to analyze the community development activity among 24 of the largest banks in the City. We analyze industry trends and how individual banks compare to one another in a wide range of areas impacting low- and moderate-income people and neighborhoods.
2. **Community Reinvestment Act (CRA) engagement.** ANHD routinely submits comments on bank CRA exams and works with member organizations to enforce the CRA during and between exam periods. ANHD works with members to raise the bar for institutions seeking to acquire another bank to ensure that their CRA commitments are maintained and increased. Federal regulators are currently updating the regulations that guide bank CRA exams. ANHD is participating in the public comment period to ensure that the changes reflect the changing nature of banking so that banks better meet the needs of our communities.

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3. **The Responsible Banking Act (RBA).** ANHD members waged a successful campaign to pass the NYC Responsible Banking Act in 2012, which helps make sure banks are meeting local community needs. The RBA gives NYC new tools to evaluate the records of banks and their community reinvestment plans. It also gives us a chance to speak up about our community's needs, how banks are responding, and how banks can improve. Learn more about the RBA, including key dates and how you can get involved! Click [HERE](#) to download ANHD's guide for communities on gaining CRA support from banks.