

XI. Community Reinvestment Act – Community Contacts

public transportation facilities, adult education, job training and placement, English as a Second Language (ESL), health facilities) that you have been able to identify facing low-income residents?

- What language(s) are spoken in the community?

Specific to economic development agencies (including utility companies):

TIP: Economic development agencies typically operate at the county or MSA level. Using follow-up questions and probing techniques, attempt to get as local an assessment as possible.

- What are the primary economic strengths of this area? Primary weaknesses?
- Are there development plans currently underway for infrastructure related projects such as bridges, sewers, etc.? If so, what is the suggested time table? Will the project generate or is it generating jobs for low- or moderate-income residents?
- What are the main economic development strategies (examples include: business attraction, business retention, marketing, small business development, etc.) that you are currently pursuing for the overall county or MSA? For a particular neighborhood? What priority is given to small business, small farm, and community-based development (such as grocery stores, day care facilities, etc.)?

Specific to housing organizations (state, local, etc.):

- What is the waiting list for various affordable housing programs in the area?
- Have you received complaints from tenants that buildings are not in compliance with local building codes? In your perception, how widespread is this problem?
- What is the nature of demand for affordable housing? How does this compare to available housing stock, both in terms of number of units and types of units?
- How would you rate the need for housing among various sectors of the community, such as the elderly, individuals on special assistance, female heads of households, the homeless, others?
- Are there structural inadequacies in the type of housing stock available for low-income populations in this area? Is housing rehabilitation a priority issue amongst those your organization has identified?

Specific to real estate brokers:

- (Refer to specific geographic areas) What are the current economic conditions in this general area? Are housing values going up or down? If it is an “up” market, what are some of the forces contributing to

its success? If down, what are some of the issues contributing to its decline?

- Has there been any recent development activity in this area? What is the nature of the development (commercial, residential, affordable housing, public projects)? What has been the impact on the neighborhood?
- Are there mobile homes or concentrations of mobile homes, such as mobile parks, in any area?
- What is the average length of time that single family homes are on the market in this neighborhood?
- Other types of residences? Other neighborhoods?
- Do you know of any changes in the near future that would impact the market for residential/commercial properties in a specific area? What are these changes (political, environmental, legal, etc.)?
- Do you have copies of any appraisal reports for commercial and residential properties? For which areas (obtain, when possible)?
- Are you aware of appraisal-related problems in this neighborhood, such as the lack of comparables?
- What credit products do your customers typically use to purchase a home? Conventional mortgages? Government loans? Land contracts? Why?
- What are the various sources of financing that your customers typically use? Banks? Thrifts? Mortgage companies? Home improvement dealers? Credit unions? Employer-related sources (for example, GMAC)? Others? Are particular combinations of sources more typical than others?
- What are the characteristics of likely investors for multifamily housing properties in a specific neighborhood? What are the likely financial risks and rewards for investors in this area? (Compare with other neighborhoods.)

Specific to Foundations:

- What types of eligibility criteria are currently established for community development programs?
- Which organizations and projects do you fund? How much money is committed to these organizations and/or projects for this year?
- Out of the programs and/or organizations that you funded in this area, which are the most effective in the affordable housing area? In the small business development or community development area?

Assessing Opportunities for Financial Institution Participation

The degree to which financial institutions are involved in community development projects or services depends in some

part on the extent of other resources and partners available within the community.

Examiners are expected to:

- Obtain information on the availability of resources dedicated to the local credit or development needs that have been identified; and
- Gauge the level of the contact's efforts in approaching local financial institutions and the mechanisms of financing involved, if any.

In addition to any background materials reviewed in the preparation portion of the examination, contacts can provide relevant information on:

- The number and nature of community development or credit-related projects being developed for the benefit of the community;
- The number of organizations or government programs committed to those activities;
- The extent to which partnerships or other forms of coordination are evident in the area;
- The level of resources devoted to these activities; and
- How active these programs or resources are with respect to promoting the credit or banking needs that local representatives or residents have identified.

Assessing Opportunities for Participation

The following questions apply to:

Community-based organizations:

- Has your organization ever participated in activities, either formally or informally, with financial institutions? If so, which ones? For what projects or products? For what clients (for example, what were the income characteristics of those who benefited)?
- Does your organization partner with other groups, including religious organizations, government agencies and neighborhood organizations, in conducting any of its program activities?
- Tell me about any other organizations you work with in meeting your clients' needs. What other organizations serve this community in the areas of affordable housing? Small business development? Commercial, day care or other community related facilities? Job training? Credit counseling? Low-income advocacy?
- Which of these organizations do you consider most active? If I wanted more information from them, whom should I contact?

- Which financial intermediaries do you consider particularly effective? Why?
- Are you seeking funds from local financial institutions for any current projects?
- What is the nature of the project? Is it a development-based product? Is it related to credit needs in the community? Is there a specific neighborhood or group of individuals that this project will benefit? How?
- What are the specific requirements for the financing that you are seeking?
- Are you aware of similar projects that other organizations are working on?
- What can you tell me about those? Who can I contact to learn more?

State and local economic development agencies, government agencies:

- What, if any, commercial development projects are underway? Where are they located? Are jobs created? Will low- or moderate-income individuals benefit? How?
- What are the number and nature of various economic development programs funded by the city or state? How many residents do these programs benefit annually?
- Which of these programs, if any, are designed to leverage funds from financial institutions? What are the mechanics of the program? How many projects have been funded to date? Which financial institutions have participated in these programs? Is there a particular area or group that these funds target?
- Do you have programs designed specifically for affordable housing or small business development? If so, how many small businesses and/or small farms benefit? What is your definition of small business?
- What are the funding levels of these programs? How many projects have been funded to date? Is there a particular neighborhood or group that these funds target? If so, what are they?
- Have any financial institutions participated in these programs? If so, which ones?
- Do you currently have other projects or have you had projects in the past that required either investment or other forms of financing from a financial institution? What are/were the characteristics of the project? Its financing? Include projects involving bond issuances, etc. What were the results? Innovative? Risky?
- What financing mechanisms are needed, planned or in place for any development or infrastructure related projects?