

XI. Community Reinvestment Act – Community Contacts

Real estate brokers:

- Do you know about local or state financing programs for affordable housing, small business or commercial development? How did you hear of these programs?
- Are there specific home insurance or financing programs that you utilize or to whom you refer customers? Which ones? Which do you utilize specifically for your low-income customers?
- Which financial institutions in the area are you aware of that access these programs? How actively? Which do not?

In addition, another function of the community contact process is to obtain feedback from the community on the performance of local financial institutions.

Obtaining Local Perspectives on the Performance of Financial Institutions

Obtain Feedback from the Community

1. The examiner is expected to gather information on the willingness and responsiveness of financial institutions, including the institution under examination, to work with local residents and professionals in meeting credit and community economic development needs.

The following questions apply.

General:

- With which banks, savings and loans, or mortgage companies have you been involved? What was the nature of your involvement?
- Has your organization ever participated in activities, either formally or informally, with financial institutions? If so, which ones? How did this professional relationship develop?
- What were the results of your involvement with financial institutions? In what ways has financial institution participation had a positive impact? In what ways has it had a negative impact? Probe for such project aspects as timing, financing terms, etc.
- Are local financial institutions pro-active in developing relationships or offering assistance? If so, which ones?
- What financial institution(s) does your group recommend to your constituents? Why?
- What obstacles, if any, prevent greater involvement from financial institutions in meeting local credit needs?
- Have you ever been invited by institutions to participate in institution-sponsored activities? If yes, specify the activities' purpose and the role you played.

- Has your organization ever received complaints about individual institutions?
- Did the people affected know about the complaint process or were they informed about it?
- Did any of the complaints involve allegations that the institution(s) discouraged people from submitting an application? Did any complaints involve geographic or racial redlining, or any other forms of discrimination? What happened?
- Is anyone in your group or known to your group willing to offer specific evidence of discriminatory actions by specific institutions?

NOTE: If allegations of discrimination, discouragement or redlining are made with respect to an institution not regulated by your agency, forward the relevant information to the institution's primary regulator.

- In your opinion, which institutions in the area have been particularly outstanding in meeting the community's needs? Why? What, specifically, has been done by these institutions?
- In your opinion, which area institutions have been particularly notable for their unwillingness to respond to the community's needs? Why?
- In your opinion, how well does [institution name] meet the credit needs of this community?

Community-based organizations:

- Have you discussed local credit needs with any financial institutions? What were the results?
- Do any institutions provide in-kind services, for example, loaned executives, etc.?
- What efforts are made to inform institutions and obtain their participation in the organization's activities? Which institutions participate and to what degree? Which institutions, if any, declined to participate?
- If your organization works with government enhancement programs, do financial institutions work with you on that product? If so, which ones?
- What efforts have you employed to improve your organization's relationship with any institutions? Which institutions? How successful have your efforts been?

Real estate brokers (be sure to include those operating in low- or moderate-income areas):

- Do you frequently work with financial institutions or other lenders that originate home mortgages?
- Which institutions do you receive rate sheets from on a consistent basis? How are they typically delivered to you?

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- Are local lenders willing to work with you for first time home-buyers? If so, which ones? Why or why not?
- Are local lenders willing to work with you on exceptions on credit reports? If so, which ones? Why or why not?
- What knowledge, if any, do you have of credit standards being adjusted in either a preferential or discriminatory manner? Which lenders? What were the circumstances?
- Have you worked with lenders that have taken customers under the Fannie Mae 97% program? Freddie Mac? Others?
- Which lenders do not receive your referrals for home purchases and why? Which lenders do not receive your referrals for small businesses and why?
- What percentage of referred home buyers normally go to the recommended lenders?
- What percentage of referred home buyers normally get loans from recommended lenders?
- What other methods could be used to increase the use of insured financial institutions by people in your market area? In particular, are some financial institutions attracting portions of the market and not others? For which products?
- Do women or minorities have more difficulty than men in obtaining mortgage loans? If so, why?
- Which institutions are perceived as not meeting the needs of women or minority applicants?

- Are there outreach activities by particular institutions for women or minority customers? Do you perceive these programs as positive?
- In your experience, are there certain institutions favored in the minority and/or women's business community?

Business, labor or consumer groups working with the women or minority business community:

- What is the general perception of financial institutions in the minority business community? In the women's business community? Why?
- Do any financial institutions have a small business department targeting to women or minorities? Which ones? How is it done?
- Which institutions have separate minority or small business counseling services? Do the counselors also have lending authority?

Use of the Community Contact Form

Examiners should summarize each interview they conduct on the Community Contact Form within the Community Contact Database of the FDIC's Intranet. The purpose of this form is to provide a consistent means by which financial institution regulators can share information obtained through interviews for a particular community. The individual conducting the interview should inform the interviewee that this information will be shared with other regulatory agencies.