Community Contacts

Introduction

This section provides information and procedures for conducting community contact interviews. It broadly addresses a wide variety of subjects to accommodate varying communities and types of institutions. As a result, it is NOT meant to be used in the order presented. Examiners should select those steps and procedures that apply to the unique circumstances of the institution and/or the community.

Objectives

The primary objectives of conducting interviews with local community contacts are to:

- Gather information that might assist in the development of a community profile.
- Determine opportunities for participation by financial institutions in helping to meet local credit needs.
- Understand perceptions on the performance of financial institutions in helping meet local credit needs.
- Provide a context on the community to assist in the evaluation of an institution's CRA performance.

General Guidelines

Coverage and Frequency of Community Contacts

Community contacts typically take the form of personal meetings. Telephone conversations or larger group meetings are permitted as necessary and appropriate. Information from community contacts made by other financial regulatory agencies is maintained in the FDIC's Community Contact Database.

In conjunction with each examination, the FDIC will conduct community contacts in the MSA, county or assessment area(s) that the financial institution in question is serving. Where possible, those community contacts should be conducted early in the examination to help to provide information on the community to assist the examiner in the evaluation of the performance context.

Selection of Community Contacts

The number and nature of contacts will depend upon a variety of factors, including the:

- Complexity of the community.
- Size and type of the institution examined.
- Amount and age of community driven information already available to the examiner.

Treatment of Confidential Information

Confidentiality of Institution Records

Examiners must maintain the confidentiality of any institution's proprietary information. When making community contacts, the examiner should not reveal any confidential information obtained from the institution's files or through discussions with management, or any conclusions drawn about the institution's performance or CRA rating.

Protection of Community Contacts

Maintaining the confidentiality of the community contact's identity, when requested to do so, is essential. Examiners must not reveal the name or other identifying information about a community contact to anyone outside the agency without the contact's express permission, either written or verbal, to do so. Notwithstanding the confidentiality treatment, all community contact forms are shared with the federal financial regulatory agencies.

Compliance Report of Examination and CRA Performance Evaluation

Reporting CRA data

Include in the Compliance Report of Examination and the CRA Performance Evaluation, as appropriate, a discussion of the number and kinds of CRA-related community contacts that were performed and relevant information obtained and used, if any, in the CRA evaluation.

NOTE: Information should be factual. While opinions of contacts may be included when applicable, examiners should refrain from drawing conclusions or making judgments based solely on anecdotal evidence.

Sharing Information

Information Sharing Process

The agencies routinely share information obtained during outreach contacts.

Whenever community contacts are made, the examiner initiating the contact should complete the Community Contact Form in the Community Contact Database and submit it according to Regional Office Policy.

Preparation for the Interview

Before conducting interviews, review relevant background information to identify additional areas of inquiry.

Adequate preparation for the interviews includes:

- Reviewing information on the assessment area(s);
- Selecting community contacts; and
- Structuring the interview.

Review of Information on Assessment Area(s)

A review of all available background materials prior to the community contact process is vital in developing a working understanding of the community you are about to enter. The nature, extent and age of the information available prior to conducting community contacts influences your objectives for the community contact process. A well developed context also allows for more detailed and in-depth community contact interviews.

Review Process

The examiner should do the following:

1. Assess prevailing economic conditions and demographic characteristics within and near the assessment area(s).

   This includes a review of available data on:

   - Various population segments within the community;
   - Trends in migration;
   - Labor and employment characteristics;
   - Comparisons to state and county/MSA data; and
   - Housing and real estate market statistics.

2. Assess infrastructural and geographic characteristics within the assessment area(s).

   This includes a review of:

   - Maps;
   - Natural areas;
   - Major thoroughfares;
   - Access to public transportation;
   - Locations of low- and moderate-income census tracts;
   - Names of specific low- and moderate-income neighborhoods; and
   - Proximity of the assessment area(s) to military bases, airport facilities, and metropolitan centers.

TIP: Internal mapping software, information from the financial institution, and information from local planning, transportation, economic development or real estate boards are good sources for possible information.

3. Assess distribution and availability of branch and ATM services especially with regard to low-income areas within the community. Include a review of check cashing facilities, if possible.

TIP: Internal mapping software, if available, can allow the examiner to map these locations.

4. Assess, to the extent information is available, local development issues and priorities in the areas of:

   - Affordable housing;
   - Commercial activity; and
   - Economic and community development.

   A summary of such information may be available from the Community Affairs staff.

5. In addition, the examiner may wish to review previous community contacts for the locality including those from other regulatory agencies.
6. If the examiner is reviewing an MSA, he or she should contact the city's municipality and obtain a copy of its Consolidated Plan ("Conplans"). Conplans list the needs of an MSA as identified and prioritized by its officials.
7. The examiner may also consider obtaining public reports from Multiple Listings Services (MLS) and news articles on local development projects.

   Quantitative sources may include:

   - Feasibility studies;
   - Market analysis; and
   - Commercial appraisal reports for local development projects.

TIP: State or local economic development agencies, utility companies, real estate organizations, and universities present in the immediate or surrounding area are often good sources for such material. Refer to the topic "Identify Potential Community Contacts" for additional potential sources for these types of material.

8. Determine the priorities of the community and the opportunities for financial institutions to participate with local governmental and non-profit organizations in the areas of:

   - Affordable housing;
   - Small business/farm development; and
   - Economic and community development.

9. Review the number and nature of government agencies, non-profit and neighborhood organizations that provide programs and resources to the assessment area(s) for these purposes.

TIP: Sources of information for this step include prior community contacts in the area, information on local programs from the institution, and discussions with appropriate agency staff.

10. Based upon information reviewed above, identify areas that require further inquiry through the community contacts process.

    For example:

    - Are there any significant conflicting pieces of information that may require further investigation in the contact interviews?

- Are there any pieces of quantitative information, such as housing and rental values, that are considerably outdated and need to be verified in the contact interviews?
- Does the data suggest particular areas of "need" in affordable housing, such as housing rehabilitation, multifamily development or single family home purchase that you can investigate further and verify through the contact interviews? Or alternatively, are needs for specific areas of the population, such as housing for the elderly, still unclear and therefore require further study through the contact interviews?
- Does the data suggest particular areas of need in services such as ATMs, branches, bilingual services that can be investigated further and verified through the contact interviews?
- Does the review identify organizations or projects requiring additional information?

Identify Potential Community Contacts

This section discusses the number and types of community contacts that should be made during an examination. It also identifies potential community contacts and provides guidance on the sources of information that are available from them.

Number and Type of Contacts

Identification Process

1. Select contacts that can best provide information on the assessment area(s).
2. Consider the nature of the information you are seeking to complete your analysis of the assessment area(s) and the purpose of the organizations in the assessment area(s).

TIP: Examiners may wish to initially consult or -select organizations on the telephone to determine which can best comment on particular issues

3. Consider the following factors when determining the appropriate number of contacts to make:
   - The nature of any information provided by the institution including information that specifies credit, service or community development needs in the institution's assessment area(s);
   - The nature of public comments including information that specifies credit, service or community development needs in the institution's assessment area(s);
   - The amount of community contact information available from other examinations conducted for this area, both in number and substance, and the date the information was gathered;
   - The complexity of the community including the size of its population, its geographic breadth, and the diversity of its population; and
   - The characteristics of the institution examined.

NOTE: Time constraints can limit the number of contacts that the examiner is able to conduct.

Organization Types

Grassroots Community Groups

Grassroots groups are formed when concerned individuals come together to solve common problems. Groups whose primary aim is to further the objectives of low-income residents are of particular interest. These groups can be difficult to identify because they tend to be smaller neighborhood groups and may not have readily recognizable names.

However, they will often share the following characteristics:

- Low-income representation is evident in policy and implementation aspects of the organization. This may be evident at the board level, in the committee structure, or the day-to-day management;
- Input from low-income residents is clearly sought in functional/program aspects and, information distribution to low-income individuals is a priority. Examples of this include door-to-door surveys and frequent neighborhood meetings; and
- Low-income individuals are encouraged or empowered to solve problems collectively.

Grassroots community groups include the following types of organizations:

- Churches;
- Block clubs;
- Tenants association;
- Low-income advocacy groups;
- Housing or credit counseling programs;
- Senior citizen groups;
- Shelter providers;
- Health clinics; and
- Community network/collaborative groups.

The following types of information are available from these sources:

- Development priorities and concerns of the local low-income populations;
- Available development programs and resources;

- Current partnerships and/or development projects in the area; and
- The role of financial institutions in the assessment area(s).

Secondary information available includes completed questionnaires or surveys.

TIP: School boards can update census information by providing demographic information on the makeup of their student body. This information is typically collected annually.

Community-Based Development or Financial Intermediaries

The primary aim of these organizations is typically to increase the economic standard of low-income individuals or areas. Thus they tend to be involved in technical aspects of development such as residential and commercial real estate ventures or financing. Though these groups encourage representation of low-income individuals, they are also likely to have a higher degree of staff or decision-makers that live outside of low-income areas that the organization is serving.

Community-based development or financial intermediaries include the following types of organizations:

- Non-profit organizations such as Community Development Corporations (CDCs);
- Church-based economic development programs;
- Community loan funds;
- Small Business Investment Corporations (SBICs);
- Specialized Small Business Investment Corporations (SSBICs);
- Low-income housing organizations;
- Technical assistance providers;
- Low-income credit unions;
- Development institutions; and
- Micro-enterprise groups.

Available from these sources are the following types of information:

- Low-income credit;
- Service and community development issues at the neighborhood level;
- Quantitative information on housing values and actual real estate projects;
- Qualitative information on financial institutions and financial practices of low-income individuals;
- Technical details on financing and lending mechanisms for programs they offer; and
- Information on other government and program resources or ventures in the community.

Secondary information available includes:

- Feasibility studies;
- Appraisal information on specific neighborhoods;
- Local needs assessments;
- Surveys of institution's activities;
- Surveys of financial practices of low-income clientele; and
- Lending agreements by groups of local financial institutions.

Government Offices

Government offices include the following types of organizations:

- Local branches of Federal agencies, such as:
  - Department of Housing and Urban Development (HUD);
  - Small Business Administration (SBA);
  - Department of Commerce;
  - Economic Development Administration (EDA);
  - Farmers Home Administration (FmHA);
  - Bureau of Indian Affairs (BIA); and
  - U.S. Department of Agriculture (USDA).
- Local groups of federally funded or mandated programs, such as:
  - Community Action Agencies (CAAs);
  - Neighborhood revitalization programs; and
  - Office of Minority Business Enterprise (OMBE)'s business development centers.
- Local elected officials, such as:
  - Mayors;
  - Commissioners;
  - Tribal chiefs;
  - City council members; and
  - Tribal council members.
- State and local housing agencies or authorities
- Economic development agencies, such as:
  - Industrial and redevelopment agencies or authorities;
  - County or regional planning agencies;
  - Transportation agencies;
  - Utility companies;
  - Rural electric cooperatives;
  - Economic Development Corporations (EDCs);
  - Local planning or economic development directors; and
  - School board superintendent and officials.

Available from government offices are the following types of information:

- Loan, grant, guarantee or other programs available for use by institutions and housing, community, and economic development groups;
- Amount of funding available through such programs in the institution's assessment area(s);
- Extent to which local financial institutions participate in such programs and perspectives on barriers or issues related to their participation;
- Specific project opportunities in which institutions could participate; and
- Information on underserved neighborhoods or areas.

Secondary information available includes:

- Housing, small business, agriculture and general economic conditions and trends in the assessment area(s);
- Publicly sponsored comprehensive or general development and redevelopment plans and maps; and
- Other plans and studies, such as housing plans (for example, the Consolidated Plan), economic development plans and studies, and various community service needs in the assessment area(s).

Business and Labor Groups

Business and labor groups include the following types of organizations:

- Chambers of commerce;
- Downtown and neighborhood merchants associations;
- Small and minority business advocacy groups;
- Realtors;
- Minority and non-minority real estate agents;
- Local venture capital companies;
- SBA/college-supported Small Business Development Centers (SBDCs);
- Feed stores;
- Cattlemen's associations;
- Actual small business owners; and
- Small business technical assistance providers, such as business incubators and local union representatives.

Available from these sources are the following types of information:

- Data and perspectives on local business, economic conditions, recent economic activity and trends in the community;
- Nature and extent of small business activity, level of referrals from financial institutions to SBDCs;
- The existence of active SBA 504 programs, SBIC or SSBIC programs;
- Perspectives on financial institution efforts to provide financing and services to small businesses/small farms;
- The level of institution participation in other public/private programs for small business development and employment training; and
- Other private and public sources of financing available for small businesses and small farms in the assessment area(s).

Secondary information available includes mortgage interest rate sheets from financial institutions or mortgage companies obtained from realtors.

Civil Rights and Consumer Protection Groups

Civil rights and consumer protection groups include the following types of organizations:

- Open housing/fair housing organizations;
- Local chapters of the National Association for the Advancement of Colored People (NAACP), Urban League, Urban Coalition, and National Organization for Women;
- Legal aid/legal services offices;
- Human relations commissions;
- State attorney general; and
- Consumer protection office.

Available from these sources are the following types of information:

- Credit needs;
- Issues or priorities for any protected classes;
- Complaints against specific financial institutions; and
- General perspectives on financial institutions in the assessment area(s).

Secondary information available includes studies using testers in financial institutions, formal complaints or case write ups.

Other Potential Contacts

The following types of organizations can also provide information:

- Universities;
- Research institutions;
- Foundations; and
- Hospitals or hospital extension programs.

The types of information available from these sources are many and varied. Specific community projects by universities or hospitals may be involved.

Secondary information available includes:

- Demographic and economic data;
- Independent research studies or reports on community development topics;
- Studies and data collection on development and economic trends or opportunities in the area; and
- Automated "Conplans" may also be available.

Conducting the Interview

Having determined the groups and/or individuals to be contacted and the information to be solicited from each interview, the examiner must then plan the structure and content of questions prior to the interview. This section provides a sample list of questions that the examiner may wish to consider. The examiner should select and tailor questions from the list of sample questions that would be the most effective for each specific contact.

The questions highlight the type of information that the examiner is seeking through the community contact process. They are meant to serve as a guide to assist the examiner in planning the substance and structure of the interview. Obviously, not all questions will be appropriate to each specific contact. The list is not all inclusive; particular questions may generate significant discussions and examiners are expected to probe and conduct follow-up questions appropriately. Examiners are encouraged to review the entire list before structuring their interview. As examiners gain experience, they are encouraged to engage in discussion with the community contact and not undertake a "question and answer" format.

Background Information on Community Contact

Obtain Background Information

General:

1. The examiner should ascertain the organization's area of expertise and the role that it plays in the community. The following questions apply.
   - What geographic areas does the organization serve?
   - How old is the organization? How was it started? How much involvement by local residents and/or low-income residents was there initially?
   - Who does the organization represent? Roughly what percentage of your client base is very low- (defined as 25-50% of median area income), low-, moderate- or middle-income?
   - What is the mission and the primary goals of this organization? What are the goals for this year?
   - Is there a Board of Directors? What is the representation on the Board? Are there low-income neighborhood residents on the Board? Are banks/lenders or other financial institutions on the Board?
   - What projects or programs are you currently working on? Aside from programs are there other means in which the mission is carried out?
   - How many "clients" does this organization serve on a monthly or annual basis? If the organization is involved in development, how many real estate projects have been completed in the organization's history? How many are on-going?
   - If direct loans have been provided through any programs, what type of loans are they? What segments of the community have benefited from these loans (low-, very low-, moderate-income, elderly, etc.)? What is the number and dollar volume of loans generated?
   - What are the amounts and sources of the organization's funding? How is the funding disbursed (for example, what activities does it fund and how much of the budget is devoted to each activity)?
   - Could you list the organization's major accomplishments in the past 5 years? Is there such a list that you may have for purposes of your funders or funding proposals that I may have a copy of?
   - What are some of the limits the organization is facing in serving its community? In what areas is it currently encountering opportunity?
   - Is the organization interested in expanding its program or project areas at this time? In what area? Is there a time-line in place to implement these activities or expected to be in place?

Specific to economic development agencies (including utility companies):

- Are there empowerment zones (EZs), enterprise communities (ECs), or Foreign Trade Zones (FTZs) in your area? Where? What types of monetary incentives are offered?
- What are examples of small business, small farm, and community-based development that the agency has been involved in? Has activity been concentrated in a few areas? Which ones?
- Does the economic development agency also coordinate the housing program and monies for this jurisdiction? If not, is economic development coordinated with housing officials? What priority is accorded to affordable housing? What priorities, if any, are accorded to specific population segments (e.g., elderly, special assistance, female heads of households, homeless, other)?

- Are the economic development strategies or the availability of the programs communicated to local residents in any way? How?

  NOTE to Examiner: Did you find that local residents or community representatives were able to articulate strategies or various programs?

- Does the agency have working relationships established with community organizations at the neighborhood level? Who? What are the names of the individuals that the agency has worked with? If so, what is the extent of the partnership that has been established?

Specific to local government:

- What is the structure of the local government? Is there an economic development department? Is this separate from housing development?
- Which department has responsibility for economic development policy?
- Does the local government have programs that target affordable housing, small business development and/or community development projects? How much funding do they have?
- Has the local government identified priorities for its housing and economic development funds? Has the government determined what impact this will have for the population (for example, for the elderly, low-income families, individuals with special needs, the homeless)? To the agency's knowledge, what has been the impact of its funds in the last several years?
- How much money has been allocated for affordable housing, elderly needs, special needs, etc.? What is the time frame for the disbursement of funds, particularly Community Development Block Grant (CDBG) funds?

Specific to real estate brokers:

- Do you have brokers who specialize in low- or moderate-income housing (single or multifamily)?

Obtaining a Community Profile

One of the primary objectives of the contact process is to update the community profile.

Update the Community Profile

1. The examiner is expected to obtain and update information on current economic conditions and trends, current demographic characteristics and existing credit needs. The following questions apply.

   General:

   - What is the current demographic makeup of the community? What were the most significant demographic changes in the past five to ten years, if any (for example, migration patterns, racial composition)?
   - Which neighborhoods are in transition, if any? Has gentrification or the displacement of low- or moderate-income individuals become an issue in certain neighborhoods? In which neighborhoods? Is the potential displacement of individuals being managed in some process, for example, a relocation package? If so, how and who is involved?
   - What major employers have either entered or left the community in the last few years? Has this impacted certain categories of the labor market and not others? If so, who was positively impacted? Negatively? How?
   - Who or what organizations are the driving forces in the community (examples include churches, government, community groups, etc.)?
   - What priorities have you identified for this area?
   - Have you conducted any studies (for example, neighborhood surveys or feasibility studies) that may provide insight into local credit, service or community development needs? What were the results? (Obtain a copy, if available.) How was the study used and what was the distribution (any banks included)?
   - Do zoning restrictions play a role in the availability of affordable housing units? How? Which neighborhoods are most impacted?
   - Are absentee landlords a problem? For whom? In which neighborhoods?
   - In your opinion, what credit needs have not been adequately satisfied by area financial institutions? (Give example: small business loans, home improvement loans, installment loans, etc.)
   - To what extent are financial services available in the assessment area(s)? What is the availability of ATMs or branches in this neighborhood?
   - Are there many women- or minority-owned businesses in the area? If so, are they concentrated in any geographic location or occupational field?

   Specific to community-based organizations:

   - Does this community have a significant number of people that would be "uncounted" in official Census figures? If so, why? Does your organization give estimates of the uncounted or real population?
   - What are the primary and secondary issues that low-income people in this area are concerned with in the short term? Long term?
   - What are the most pressing concerns (for example, adequate housing, access to retail goods, adequate 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?

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?
- 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.