



Engaging Workforce Development

A Framework for Meeting CRA Obligations



Federal Reserve
Bank of Dallas



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Community Reinvestment Act (CRA)

Banks have CRA obligations.

- The CRA was enacted to prevent **redlining** and encourage financial institutions to **help meet the credit needs of all** segments of their communities, **including low- and moderate-income (LMI) neighborhoods**
- Each financial institution is evaluated on **how well it serves its assessment area**: Geographies (town, city, MSA, county) in which it has its:
 1. **Main office and branches**
 2. **Deposit-taking ATMs**
 3. **Surrounding geographies** in which it originated/purchased substantial portion of its loans

Community Reinvestment Act (CRA) (continued)

Banks have CRA obligations to engage in community development activities
(loans, investments and services):

1. Affordable housing for low- and moderate-income (LMI) individuals
2. Community services targeting LMI individuals
3. **Economic development**
4. Activities that revitalize or stabilize LMI geographies

July 2016 update

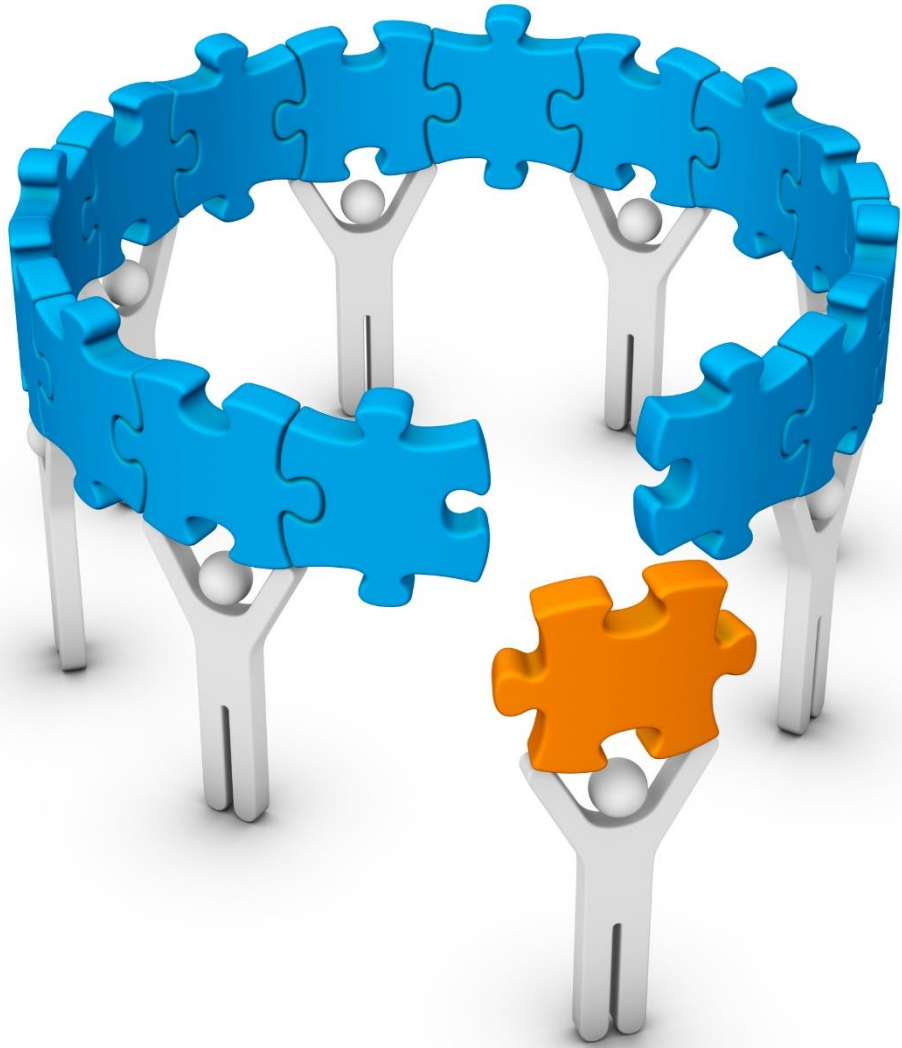
“**economic development initiatives include** provisions for creating or improving access by LMI persons to **jobs or to job training or workforce development programs**” and **access to day care and other supportive services**

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1. **Provide a loan** to community-based organization (CBO) involved in workforce development
2. **Provide financial support** through an investment or grant to CBO involved in workforce development
3. **Provide learn-and-earn opportunities**, such as through:
 - a. Internships
 - b. Apprenticeships
 - c. College work-study positions outside the college
 - d. Job-shadowing opportunities
 - e. Transitional jobs programs

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4. **Serve on board** of workforce development committee
5. **Serve as depository institution** for a youth employment program
6. **Provide administrative support**, such as meeting space
7. **Participate in student/trainee job preparation**, such as by:
 - a. Mentoring on banking careers
 - b. Conducting mock interviews
 - c. Providing financial education



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