Engaging Workforce Development
A Framework for Meeting CRA Obligations
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

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“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
Banks Engaging in Workforce Development

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
4. **Serve on board** of workforce development committee

5. **Serve as depository intuition** 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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