

CONSUMER FINANCIAL PROTECTION BUREAU | NOVEMBER 2023

State Community Reinvestment Acts

Summary of state laws

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Executive summary

Many states have adopted Community Reinvestment Acts (CRAs) similar in purpose and structure to the federal Community Reinvestment Act of 1977. These state laws were developed following the passage of the federal CRA but contain differences that reflect the unique reinvestment priorities of individual states. State CRAs have also developed during, and often in response to, a substantial increase in the nonbank mortgage company share of the mortgage market. This report focuses on state CRA laws that provide an affirmative obligation for financial institutions to meet the lending, services, and/or investment needs of their communities. The states included are Connecticut, Illinois, Massachusetts, New York, Rhode Island, Washington, West Virginia, and the District of Columbia. It summarizes the key factors of each of these laws, organizes them into ten issue groups, and identifies five findings that inform how states could consider establishing reinvestment obligations.

Key findings of this review of these state CRA laws include:

Some states conduct independent examinations of lending-, services-, and investment-related performance, while other states review federal CRA performance evaluations in conjunction with additional state-designated factors. In some states, performance evaluations are periodic, while other states review a financial institution's performance solely in response to an application for a merger, branch, license, or other activity.

Some states apply an affirmative lending, service delivery, and investment obligation to mortgage companies, in addition to deposit-taking institutions. Most state CRAs adopted shortly after the passage of the federal CRA in 1977 applied only to banks. Several states, including Massachusetts and New York, later expanded their CRAs to cover mortgage companies. Illinois included mortgage companies when it passed its state CRA in 2021. Additionally, some states apply CRA obligations to credit unions.

Some states collect and consider information beyond what is required under the federal CRA to evaluate lending, services, and investment performance in their state. Most states rely on existing data, such as Home Mortgage Disclosure Act data for mortgage lending, or federal CRA data for small businesses or small farms, to complete their evaluations. At least one state, New York, requires additional small business lending data reporting beyond what is required by the federal CRA. Additionally, some states have the authority to collect data from institutions that are not required to report federal mortgage, small business, small farm, or other data.

The most common enforcement mechanisms include limitations on mergers, acquisitions, branching activities, and licensing, but some states have adopted additional measures. For example, a financial institution's CRA performance rating may be a factor in the ability to conduct certain types of activities, such as serving as a depository for public monies. Some states permit less frequent exams after an institution receives a higher performance rating or require corrective action for a lower performance rating. None of the state CRAs reviewed explicitly provide for the ability to issue civil monetary penalties or structural remedies for failing to meet state CRA requirements.

State CRAs have been amended from time to time in response to changing markets. Many state CRAs were initially passed shortly after the enactment of the federal CRA in 1977. Just as the federal CRA has been revised since its passage, state CRAs have been amended to cover additional types of financial institutions, collect additional data to better understand financial markets, and address other state-specific needs.

The CFPB conducted this research to identify existing areas of collaboration between state and federal supervisory agencies, compare performance evaluation factors among certain state CRAs, inform further development and publication of market information regularly used as part of state performance evaluations, and identify where federal consumer financial protection laws and other protections are incorporated into state CRA evaluations.

Section 1 describes the Community Reinvestment Act of 1977, outlines the context of its passage, briefly summarizes subsequent legislative and regulatory changes, and discusses market changes since the passage of the Act. Section 2 provides a similar overview of the history and purpose of state CRAs. Section 3 describes the methods used in this report to identify, compare, and classify state CRAs. Section 4 reviews the results of this comparison, and Section 5 describes the findings of this review. Section 6 concludes with a summary of those findings.

This review suggests that states play an active and ongoing role in promoting reinvestment by a wide range of institutions and that continued review is necessary to understand these developments. It also suggests that data collected by federal agencies are often used for state CRA compliance and other oversight purposes.

1. Introduction

1.1. The Community Reinvestment Act of 1977

The Community Reinvestment Act of 1977 (CRA)¹ provides that banks have a continuing and affirmative obligation to meet the credit needs of the communities where they are chartered, including low- and moderate-income communities.² The CRA was established in part to help address the persistent problem of redlining, the illegal practice where people living in a certain area or neighborhood are not given the same access to loans and other credit services as people in other areas or neighborhoods on the basis of race, color, national origin, or another prohibited reason.³ The Fair Housing Act of 1968⁴ prohibited discrimination on the basis of race and other factors in housing, including mortgage lending.⁵ Loan-level mortgage data made public for the first time under the 1975 Home Mortgage Disclosure Act (HMDA),⁶ however, suggested that the practice continued and additional interventions were necessary.⁷ Senator William Proxmire, the primary proponent of the CRA, stated during the debate leading up to the Act's passage that “[t]he data provided by [the HMDA] remove any doubt that redlining indeed exists, and that many credit-worthy areas are denied loans.”⁸

The CRA⁹ requires that the appropriate federal financial supervisory agency—the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation (FDIC), or the Office of the Comptroller of the Currency (OCC)—provide a written assessment of an institution's record of meeting the credit needs of its entire community,¹⁰ that regulated institutions receive a performance rating,¹¹ and that supervisory agencies take a financial institution's CRA record into account as part of their evaluation of an application for a deposit facility.¹²

Statutes overseen and enforced by the Consumer Financial Protection Bureau (CFPB) play a role in the implementation of the federal CRA. The CFPB administers key data sources that are incorporated into federal CRA performance evaluations, such as the mortgage lending data provided by HMDA.¹³ The CFPB also administers small business lending application data required under Section 1071 of the Dodd-Frank Act.¹⁴ In October 2023, revisions to the federal included a transition to the use of these data once the data are available.¹⁵ The CFPB also supervises certain financial institutions to assess their compliance with federal consumer financial laws and enforces those laws when necessary. These violations may be reflected in a federal CRA performance evaluation and may result in a lower CRA rating.

1.2. Changes to the federal CRA since its passage

Since its passage in 1977, the federal CRA and its implementing regulations have been amended or updated to address the changing needs of financial services markets and the communities they serve. In 1989, the Financial Institutions Reform, Recovery, and Enforcement Act made a financial institution's CRA performance evaluation and rating public.¹⁶ In 1994, the Riegle-Neal Interstate Banking and Branching Efficiency Act required agencies to consider a bank's CRA rating when evaluating an application for an interstate branch and to require state-level performance evaluations, among other changes.¹⁷ In 1995, federal supervisory agencies completed a major overhaul of the CRA regulations, implementing a new performance evaluation structure and other components.¹⁸ In 1999, the Gramm-Leach-Bliley Act revised the examination requirements for small banks and made other changes.¹⁹ In 2005, federal supervisory agencies revised the CRA regulations to change the definition of small banks, create new evaluation criteria for intermediate small banks, and refine the types of community development activities considered as part of a CRA evaluation.²⁰ From time to time, federal supervisory agencies have also issued guidance on the interpretation and application of the CRA regulations, most recently in 2016.²¹

In June 2020, the OCC, the federal CRA supervisory agency for national banks, issued a final CRA regulation that was not adopted by the remaining two supervisory agencies—the FDIC and the Federal Reserve Board.²² In December 2021, the OCC rescinded the regulation.²³ In May 2022, all three federal supervisory agencies announced a joint notice of proposed rulemaking to update how CRA activities qualify for consideration, where they are considered, and how they are evaluated—the first major interagency overhaul since 1995.²⁴ In October 2023, the three federal supervisory agencies finalized revisions to their regulations implementing the Community Reinvestment Act.²⁵

1.3. The mortgage market has changed since the passage of the federal CRA

Since the passage of the CRA in 1977, the residential mortgage market has undergone substantial changes. Most important for this discussion, CRA-covered banks originate and hold a much smaller share of outstanding mortgage debt than they did when the legislation was originally enacted. In 1977, banks held 74 percent of outstanding mortgage debt. By 2007, this share had declined to just 28 percent,²⁶ holding relatively constant over the following years.²⁷ As of 2021, nonbank mortgage companies originated 64 percent of conventional home purchase

mortgage loans, compared to the 25 percent originated by banks.²⁸ Recent CFPB research also found a similar distribution in the Southern region of the United States. In these states, 61 percent of mortgage loans were made by lenders other than banks and credit unions. These same lenders made 55 percent of mortgage loans in rural areas in Southern states.²⁹

Nonbank mortgage companies' increased market share compared to CRA-covered banks has led to some discussion about the government support these firms leverage to sustain their business model. Nonbank mortgage companies are not federally chartered, do not take deposits, and therefore may not appear to enjoy the same benefits as banks. However, their "originate-to-sell" business model would not be viable without federally supported institutions. Most of the loans they originate are sold to Fannie Mae and Freddie Mac or through Ginnie Mae's Mortgage-Backed Securities program, and these explicitly guaranteed outlets allow them to operate without the long-term funding provided by bank deposits. In addition, mortgage companies rely on funding from regulated banks to supply most of the working capital needed to make loans.

In response to the growing market share of nonbank mortgage companies, and the indirect forms of government support they receive, the appropriateness of a federal CRA-like obligation for nonbank mortgage companies has been discussed.³⁰ Similar discussions have occurred at the state level, and some states have expanded their state CRAs to apply to nonbank mortgage companies, a topic that will be discussed in more detail in later sections. These discussions recognize the important role that the mortgage market plays in promoting household wealth creation, and they acknowledge that redlining by nonbank mortgage companies must be addressed going forward.³¹

2. About state Community Reinvestment Acts

Following the passage of the Community Reinvestment Act in 1977, a number of states adopted state-level CRAs with similar intent, structure, and terminology. The state laws reviewed cover an expansive timeframe, from the passage of New York’s CRA law in 1978 to the most recent CRA law, which Illinois passed in 2021 (with regulations for implementation proposed in 2023). Several states have amended their CRAs from time to time, refining the examination process or expanding the obligation to additional types of covered financial institutions (Figure 1).

Illinois, Connecticut, and Massachusetts specifically reference a “continuing and affirmative obligation”³² to meet the credit needs of local communities. Washington state references “a responsibility to meet the credit needs of [its] businesses and communities.”³³ New York cites “the record of performance of the [banking institution or mortgage banker] in helping to meet the credit needs of its entire community.”³⁴ West Virginia and Rhode Island cite the need to assess efforts to “help meet the credit needs of the local communities.”³⁵

In the stated purposes of state CRAs, these obligations are also tied to specific geographies. States approach the definition of these geographies in several ways, including consideration of the entire community, communities in which financial institutions are chartered, areas where offices or branches are maintained, or the entire state. In states where credit unions are subject to CRAs, these obligations may extend to the credit unions’ field of membership rather than a specific geography. Covered financial institutions are expected to meet the credit needs of the entire community, including low- and moderate-income communities, either explicitly in the stated purpose of the law or implicitly in the examination requirements. These requirements are discussed in further detail in Sections 4.5 through 4.7.

In every state reviewed and regardless of how the obligation is framed in the stated purpose, a covered financial institution’s CRA obligation to meet community credit needs is qualified by its ability to do so consistent with safe and sound operation.

3. Methods

This report examines the components of state CRAs in seven states and the District of Columbia. Inclusion in this analysis was determined by an initial review of state statutes in all 50 states, the District of Columbia, and U.S. territories, followed by the development of a set of comparison criteria. Further in-depth review of states that met the initial inclusion criteria produced a series of evaluation factors grouped into 10 issue areas. These evaluation factors and issue groups were further refined based on interviews with state regulators that implement the CRA in each state.

3.1. Criteria for consideration in this report

This report compares state CRA laws that provide for an affirmative obligation to meet the lending, services, and/or investment needs of the communities in which they do business. An initial scan of state laws suggests that states have taken a wide range of approaches in implementing this obligation, ranging from public notification of such an obligation to a periodic, written assessment of a financial institution's performance. This report considers and compares states whose CRAs most closely track the structure of the federal CRA and include evaluation criteria based on lending, services, and/or investment activity. These factors are summarized in Figures 5, 6, and 7. In addition, this report only includes state CRAs that provide for one or more enforcement mechanisms. These factors are summarized in Figures 10 and 11.

Many states and other jurisdictions have adopted lending, services, and/or investment requirements to serve as a public depository, an institution that holds deposits of a state or local government. Some of the states included in this report consider the results of a state CRA performance evaluation as part that process. This report also does not include state laws that primarily address qualifications to serve as a public depository.³⁶

Some states or territories, such as the U.S. Virgin Islands, require the preparation and publication of CRA statements outlining the types of credit they provide for a specific jurisdiction and other information.³⁷ Similarly, Louisiana requires that a bank's federal CRA rating be disclosed in its statement of condition³⁸ and Mississippi requires the annual publication of a bank's federal CRA performance evaluation for public review.³⁹ This report also does not include states, such as Maryland,⁴⁰ that have adopted community reinvestment information-sharing requirements among state and federal supervisory agencies without imposing more specific CRA obligations, although this topic is discussed more broadly in Figure 8. Finally, it does not include local reinvestment, linked deposit, or similar ordinances. An initial review of state laws and local ordinances suggests that there are many such requirements, however, and further review of these requirements could be a topic for future research.

3.2. Identifying state CRA review factors

This report describes and differentiates state CRAs based on 38 factors grouped into 10 issue areas. These factors were identified during the initial state law review and refined or expanded during the complete review of the state CRAs that met the selection criteria described in Section 2.1. Additionally, state supervisory agencies authorized to implement CRAs were asked to review and provide feedback on the evaluation factors. These evaluation factors were then organized into issue groups which convey general information about the state CRA, what types of financial institutions are subject to evaluation, how and when performance evaluations are carried out, what activities are considered as part of the performance evaluation, how coordination with other government entities is carried out, and how state CRAs are enforced.

3.3. Review of evaluation factors and findings with state supervisory agencies

State supervisory agencies authorized to implement their state's CRA were interviewed to confirm the interpretation of the statute and any implementing regulations. These interviews included a request to confirm the accuracy of the evaluation of each state CRA under the factors described in Section 2.2, additional feedback on the evaluation factors and issue groups, and the identification of any additional states that met the evaluation criteria. Review by state regulators does not constitute an endorsement of the findings, however.

4. Summary of the design and implementation of certain state CRAs

4.1. General information

Figure 1 summarizes general information about the state CRA laws reviewed, including the date of passage, subsequent amendments, the adoption of implementing regulations, and the state regulator.

In more than half of the states reviewed, the initial passage of a state CRA law occurred in the decade following the passage of the federal CRA. However, several states have adopted CRAs more recently. Illinois adopted a state CRA as part of a broader package of financial services legislation in 2021. Likewise, most state CRAs were amended in the years following their passage. Some states amended their CRAs to apply to additional types of institutions, such as mortgage companies or credit unions. Other states revised their laws or implementing regulations to further refine the types of activities that would receive consideration under the state CRA (Figure 1). Taken together, these factors suggest that state CRAs provide long running and well-established expectations and are frequently reviewed and updated in response to the market dynamics described in Section 1.3 and other factors.

FIGURE 1: GENERAL INFORMATION

State	Passed	Updated	Citation	Primary Regulator
Connecticut – banks and CUs	1989 ⁴¹ (banks) 2001 ⁴² (credit unions)	1991, 1992, 1993, 1994, 1996 (banks) ⁴³ 2002, 2003 (credit unions) ⁴⁴	Conn. Gen. Stat. Ann. § 36a-30 (banks), implemented by Conn. Agencies Regs. § 36a-34, § 36a-145-1. Conn. Gen. Stat. Ann. § 36a-37a. (credit unions). ⁴⁵	Dept. of Banking
District of Columbia – banks, CUs, and mortgage companies	2001 ⁴⁶	2015 ⁴⁷	D.C. Code Ann. § 26-431.	Dept. of Insurance, Securities, and Banking
Illinois – banks, CUs, and mortgage companies	2021 ⁴⁸	2021 ⁴⁹	205 Ill. Comp. Stat. Ann. 735 et seq. Regulations have been proposed but not adopted as of August 2023. ⁵⁰	Dept. of Financial and Professional Regulation
Massachusetts – banks and CUs	1982 ⁵¹	1990, 1996, 2005, 2010 ⁵²	Mass. Gen. Laws Ann. 167 § 14, implemented by 209 Mass. Code Regs. 46.00, et seq.	Division of Banks
– mortgage companies	2007 ⁵³	2007 ⁵⁴	Mass. Gen. Laws Ann. 255E § 8, implemented by 209 Mass. Code Regs. 54.00 et seq.	Division of Banks
New York – banks and CUs	1978 ⁵⁵	1980, 1984, 1996, 1999, 2008, 2011, 2012, 2013, and 2019 ⁵⁶	N.Y. Banking Law § 28-b implemented by N.Y. Comp. Codes R. & Regs. tit. 3, § 76.	Dept. of Financial Services
– mortgage companies	2022 ⁵⁷	None	N.Y. Banking Law § 28-bb implementing regulations have not been proposed as of August 2023. ⁵⁸	Dept. of Financial Services
Rhode Island – banks and CUs	1995 ⁵⁹	1997 ⁶⁰	R.I. Gen. Laws Ann. § 19-9-4 et seq.	Division of Banking
Washington – banks	1985 ⁶¹	1994, 2008, 2009 (commercial banks) ⁶² 1994 (savings banks) ⁶³	Wash. Rev. Code Ann. §§ 30A.60 (commercial banks), implemented by Wash. Admin. Code § 208-512-200, and Wash. Rev. Code Ann. §§ 32.40 (savings banks).	Dept. of Financial Institutions
West Virginia – banks	1982 ⁶⁴	Rules adopted in 1993	W. Va. Code § 31A-8B implemented by W. Va. Code R. § 106-12-1.	Division of Financial Institutions

4.2. Institutional coverage

All the state CRAs reviewed applied to state-chartered banks. Some states, however, have expanded coverage to include certain credit unions and mortgage companies (Figure 2). The New York and Massachusetts CRAs apply to wholesale banking and limited purpose institutions, and other state CRAs include the requirement or authority to apply CRA obligations to other types of financial institutions. In some cases, state CRA coverage is further restricted based on total assets, loan origination requirements, or other factors. In states where credit unions are subject to CRA obligations, additional exemptions may apply. For example, Connecticut and Rhode Island only apply CRA obligations to credit unions with a geographic field of membership. The federal CRA applies to FDIC-insured depository institutions, including national banks, savings associations, and state-chartered banks, and does not apply credit unions and mortgage companies.⁶⁵

FIGURE 2: INSTITUTIONAL COVERAGE

State	Banks	Credit Unions	Mortgage Companies	Additional Coverage
Connecticut	Yes ⁶⁶	Yes ⁶⁷	No	None
District of Columbia⁶⁸	Yes ⁶⁹	Yes ⁷⁰	Yes ⁷¹	Non-depositories and other regulated entities
Illinois⁷²	Yes	Yes	Yes	Others as designated by regulator
Massachusetts	Yes ⁷³	Yes ⁷⁴	Yes ⁷⁵	Wholesale and limited purpose institutions ⁷⁶
New York	Yes ⁷⁷	Yes ⁷⁸	Yes ⁷⁹	Wholesale and limited purpose banking institutions ⁸⁰
Rhode Island	Yes ⁸¹	Yes ⁸²	No	None
Washington	Yes ⁸³	No	No	None
West Virginia	Yes ⁸⁴	No	No	None

Note: Additional information about institutional coverage in each state is provided in endnotes.

4.3. Examination structure

Figure 3 summarizes state CRA by performance evaluation structure, whether results are made public, examination frequency, and types of performance ratings issued.

Connecticut, Massachusetts, and New York conduct periodic, written performance evaluations, and Illinois has proposed periodic, written performance evaluations as well. The District of Columbia, Rhode Island, and West Virginia are required to conduct reviews or performance evaluations in response to an application. The District of Columbia is also authorized to review a financial institution's CRA performance as part of its annual community development plan. Washington state conducts its CRA performance evaluation in conjunction with other state supervisory exams. Seven of the eight states reviewed make or have proposed to make the results of a review or performance evaluations public, although New York has not yet proposed such rules for mortgage companies. Exam frequency varies among the states reviewed. Most states conduct periodic examinations or initiate a review in response to an application for a merger, branch, license, or other activity.

The District of Columbia, Massachusetts, and Washington state have established a state-level five-point rating scale. Connecticut has adopted a four-point rating scale. Illinois has proposed a four-point rating scale for mortgage companies, a five-point rating scale on an examination's component tests for banks and credit unions, and a four-point overall rating scale. New York has adopted an overall four-point rating scale with a five-point rating scale on an examination's component tests for large banks. West Virginia considers the federal rating as part of its review but does not issue a state-level rating.

The federal CRA requires the appropriate federal financial supervisory agency to prepare a written evaluation of an institution's record of meeting the credit needs of its entire community, including low- and moderate-income communities.⁸⁵ Regulated financial institutions are subject to routine examination, although certain small banks have a less frequent examination frequency defined in the statute.⁸⁶ Final ratings are assigned based on a four-point scale,⁸⁷ although a five-point scale is assigned for conclusions in each of institution's applicable performance tests.⁸⁸ Performance evaluations are made public,⁸⁹ and historical ratings are provided as an aggregate download.⁹⁰

FIGURE 3: EXAMINATION STRUCTURE

State	Examination form	Public Results	Examination Frequency	Rating
Connecticut – banks and CUs	Periodic evaluation.	Yes. ⁹¹	Frequency not set by statute.	Four-point scale. ⁹²
District of Columbia – banks, CUs, and mortgage companies	Written assessment in response to application and evaluation of annual community development plan. ⁹³	Yes, upon request. ⁹⁴	Plans are evaluated annually or in consideration with an application. ⁹⁵	Five-point scale. ⁹⁶
Illinois – banks, CUs, and mortgage companies	Periodic, written performance evaluation. ⁹⁷	Yes. ⁹⁸	<i>TBD by regulation</i> ⁹⁹	Four-point scale for performance evaluation and proposed five-point scale for individual tests. ¹⁰⁰
Massachusetts – banks and CUs	Periodic, written performance evaluation. ¹⁰¹	Yes. ¹⁰²	Two years for large and intermediate small institutions, four years for small institutions. Less frequent examination cycles may apply for certain ratings. ¹⁰³	Five-point scale. ¹⁰⁴
– mortgage companies	Periodic, written performance assessment. ¹⁰⁵	Yes. ¹⁰⁶	Every 4 years. 5 years for certain mortgage lenders receiving certain ratings. ¹⁰⁷	Five-point scale. ¹⁰⁸
New York – banks and CUs	Periodic, written performance assessment. ¹⁰⁹	Yes. ¹¹⁰	2-3 years. Certain banking institutions are examined every 4-5 years. ¹¹¹	Four-point scale for performance evaluation, five-point scale for individual tests for large banks. ¹¹²
– mortgage companies	<i>TBD by regulation</i>	<i>TBD by regulation</i>	<i>TBD by regulation</i>	<i>TBD by regulation</i> ¹¹³
Rhode Island – banks and CUs	Written assessment in response to application. ¹¹⁴	Yes. ¹¹⁵	Occurs during consideration of an application. ¹¹⁶	None.
Washington – banks	Periodic evaluation conducted as part of other state exam. ¹¹⁷	None specified.	None specified. Annually for the purpose determining investments in real property. ¹¹⁸	Five-point scale. ¹¹⁹
West Virginia – banks	Review of federal CRA performance evaluation when considering an application. ¹²⁰	Yes. Results are noted in order on application.	Occurs during consideration of an application. ¹²¹	Relies on federal CRA performance evaluation and rating scale. ¹²²

4.4. Federal- and state-designated assessment areas

Assessment areas are used in both the federal CRA and state CRAs to determine the areas where the regulator evaluates a financial institution's record of helping meet the credit needs of the community it serves, where it is located, or another factor (Figure 4). Under the federal CRA, assessment areas for banks have historically been based on their physical locations, including offices, branches, and deposit-taking automated teller machines (ATMs).¹²³ In the changes to the CRA regulations finalized in October 2023, the three federal supervisory regulatory agencies established facility-based and retail lending assessment areas.¹²⁴

Banks and credit unions in New York and Massachusetts are evaluated based on their performance in state-designated assessment areas. Massachusetts determines these areas based on facility location and lending activity. New York primarily determines these areas based on facility location, though lending activity is also considered. Illinois has proposed a lending and deposit-based process for determining state assessment areas.

The District of Columbia set its assessment area as the entire district. Massachusetts evaluates mortgage companies based on their lending throughout the entire state, although a mortgage company must also have an excellent record of meeting the credit needs of highly disadvantaged communities to receive an outstanding rating.

Rhode Island, Washington, and West Virginia use assessment areas set by the federal CRA for performance evaluations as part of their review.

In states where CRAs evaluate credit unions, the assessment area is typically determined by the credit union's field of membership. Massachusetts permits credit unions to use field of membership as an assessment area. Like the federal CRA,¹²⁵ Massachusetts also permits financial institutions that primarily serve the military community to use their customer deposit base as the assessment area. Illinois has also proposed using field of membership for credit unions.

FIGURE 4: FEDERAL- AND STATE-DESIGNATED ASSESSMENT AREAS

State	Federal CRA Assessment Areas	State CRA Assessment Area	Additional Characteristics
District of Columbia – banks, CUs, and mortgage companies	-	Yes, geographic boundary of the District. ¹²⁶	Community development loans may benefit a broader District-wide or regional area that includes the bank's assessment area.
Illinois ¹²⁷ – banks, CUs, and mortgage companies	-	Yes, facility- and deposit-based.	Proposed regulations will allow credit unions to use field of membership, including those eligible to be members, as its assessment area. They may choose to include or exclude any community based common bonds outside of the state. Modifications may be made if certain criteria are met. ¹²⁸
Massachusetts – banks and CUs ¹²⁹	-	Yes, facility- and lending-based.	Institutions primarily serving military personnel may use their deposit base as an assessment area. ¹³⁰ Wholesale and limited purpose institutions have different requirements. Delineations must be whole geographic areas, cannot discriminate, and cannot arbitrarily exclude low- and moderate- income geographies.
– mortgage companies	-	Yes, geographic boundary of the state. ¹³¹	Community development services and loans may benefit the state or a wider region that includes the state. ¹³² An excellent record of serving the mortgage needs of highly economically disadvantaged areas in the state is required to receive an outstanding rating on the lending test. ¹³³
New York – banks and CUs ¹³⁴	-	Yes, facility-based with supplementary lending information.	Wholesale and limited purpose banks have different requirements. Delineations must be whole geographic areas, cannot discriminate, and cannot arbitrarily exclude low- or moderate-income geographies.
– mortgage companies	-	-	To be determined by rulemaking.
Connecticut – banks ¹³⁵ and CUs ¹³⁶	Yes	-	For both institution types, delineations may not exclude low- and moderate- income neighborhoods. Banks are reviewed for federal and state compliance. Credit unions cannot discriminate, and special considerations are given for those located in multistate metropolitan areas.
Rhode Island ¹³⁷ – banks and CUs	Yes	-	-
Washington ¹³⁸ – banks	Yes	-	-
West Virginia ¹³⁹ – banks	Yes	-	-

4.5. Lending-related factors

State-level lending tests typically evaluate whether an institution's credit extensions meet the needs of its assessment area across loan types. Critically, among states with CRAs covering banks, credit unions, and mortgage companies, all three types of financial institutions are subject to a lending test—even if they are exempt from services or investment tests (see Sections 4.6 and 4.7). Two of the three states with CRAs covering mortgage companies either consider or are contemplating the inclusion of community development loans as part of their lending tests.

Illinois, Massachusetts, and New York, each of which conduct standalone CRA examinations, all assess mortgage, small business, and small farm lending. They also either consider or are contemplating the inclusion of consumer loans if they constitute a significant portion of the institution's lending. Consumer loans generally include motor vehicle, credit card, home equity, and other types of secured and unsecured loans.¹⁴⁰ Other states may consider the same loan types either through applying the federal CRA lending test methodology or by reviewing an institution's federal CRA records. Four states consider originations and purchases of existing loans, mirroring the federal CRA lending test.¹⁴¹

Supplemental considerations vary among states and are often listed explicitly in the state CRA. For example, Connecticut assesses both banks and credit unions for their work with delinquent residential mortgage customers who are un- or underemployed to resolve their delinquencies. New York assesses lending both to small businesses and to minority- or women-owned businesses of any size. Three states consider participation in government-backed loan programs. Four states statutorily empower regulators to identify other factors that would be relevant to a lending test assessment.

The federal CRA provides criteria for assigning one of five possible conclusions on the retail lending test based on home mortgage, small business, small farm, community development, and consumer loans, where applicable, and other factors.¹⁴²

FIGURE 5: LENDING-RELATED FACTORS

State	Mortgage	Small Business	Small Farm	Consumer	Community Development	Other
District of Columbia ¹⁴³ – banks, CUs, and mortgage companies	Yes	-	-	Yes	-	Public depositories are subject to additional evaluation criteria. ¹⁴⁴
Illinois ¹⁴⁵ – banks, CUs, and mortgage companies	Yes	Yes ¹⁴⁶	<i>In proposed regs.</i> ¹⁴⁷	<i>In proposed regs.</i> ¹⁴⁸	<i>In proposed regs.</i> ¹⁴⁹	Other factors determined by regulator.
Massachusetts – banks and CUs ¹⁵⁰	Yes	Yes ¹⁵¹	Yes ¹⁵²	Yes, if applicable. ¹⁵³	Yes	Includes originations, purchases of loans, and certain lending by affiliates, consortia, or third parties.
– mortgage Companies ¹⁵⁴	Yes	-	-	-	Yes ¹⁵⁵	Includes originations and purchases of loans.
New York – banks and CUs ¹⁵⁶	Yes	Yes, including to minority- and women-owned firms regardless of size.	Yes	Yes, if applicable. ¹⁵⁷	Yes	Includes originations, purchases of loans, and including certain lending by affiliates, consortia, or third parties.
– mortgage companies ¹⁵⁸	Yes	-	-	-	-	Includes participation in government-backed loan programs, extensions, denials, discouragement of credit applications, and other factors determined by the regulator.
Rhode Island ¹⁵⁹ – banks and CUs	Yes	Yes	Yes	-	Yes	Includes originations, purchases of loans, participation in government-backed loan programs, extensions, denials, applications for credit, and other factors determined by the regulator.

State	Mortgage	Small Business	Small Farm	Consumer	Community Development	Other
Washington ¹⁶⁰ – banks	Yes	Yes	Yes	-	-	Includes originations, purchases of loans, participation in government-backed loan programs, extensions, denials, discouragement of credit applications, and other factors determined by the regulator.
Connecticut – banks ¹⁶¹ and CUs ¹⁶²	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	For both institution types, includes work with delinquent residential mortgage customers who are un- or underemployed. For credit unions, loan-to-share ratio considered along with other factors.
West Virginia ¹⁶³ – banks	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	<i>Same as federal CRA.</i>	May include housing-related, commercial, industrial, government-backed, agriculture, and student loans. ¹⁶⁴

4.6. Services-related factors

Like the federal CRA, state-level services tests evaluate how accessible or effective financial institutions' delivery systems for retail banking services are to their communities, generally with an emphasis on reaching low- to moderate-income borrowers or neighborhoods (Figure 6). Service factors include the location of branches or offices, the opening or closure of those branches, as well as alternative delivery systems such as ATMs or mobile or online banking. Community development services are often considered, taking into account the innovativeness or effectiveness of those activities.

Four states—Connecticut, Massachusetts, New York, and Rhode Island—consider all four service test factors for banks, assessing branch locations, branch opening and closures, alternative delivery systems, and community development services. Massachusetts, New York, and Rhode Island do the same for credit unions as well. Illinois has proposed regulations to consider each of these factors for banks, credit unions, and mortgage companies.

Massachusetts applies a state-level services test to mortgage companies and includes an assessment of community development services. States have also adopted provisions for specific types of services. For example, Connecticut includes review of services such as offering escrow accounts for tenants' security deposits and the District of Columbia includes review of check cashing services for non-account holders. Four states allow for the consideration of other factors as determined by the regulator.

The federal CRA provides criteria for assigning one of five possible conclusions on the retail services and products test based on a financial institution's branch availability and services, remote service facility availability, digital delivery systems, and other factors.¹⁶⁵

FIGURE 6: SERVICES-RELATED FACTORS

State	Branch Locations	Branch Opening and/or Closures	Alternative Delivery Systems	Community Development Services	Other
Connecticut – banks ¹⁶⁶ and CUs ¹⁶⁷	Yes (banks)	Yes (banks)	Yes (both)	Yes (both)	Banks offering escrow accounts for tenants' security deposits. ¹⁶⁸
District of Columbia ¹⁶⁹ – banks, CUs, and mortgage companies	Yes	Yes	-	-	Basic deposit and checking accounts. ¹⁷⁰ Check-cashing services for non-account holders. ¹⁷¹
Illinois ¹⁷² – banks, CUs, and mortgage companies	<i>In proposed regs.</i> ¹⁷³	<i>In proposed regs.</i>	<i>In proposed regs.</i>	<i>In proposed regs.</i>	Factors as determined by the regulator.
Massachusetts – banks and CUs ¹⁷⁴	Yes	Yes	Yes	Yes	-
– mortgage companies ¹⁷⁵	Yes	-	Yes	Yes	-
New York – banks and CUs ¹⁷⁶	Yes	Yes	Yes	Yes	Range of services provided
– mortgage companies ¹⁷⁷	-	Yes	-	Yes	Services provided at offices. Other factors determined by the superintendent.
Rhode Island – banks and CUs	Yes	Yes	Yes	Yes	Factors may be determined by the regulator. ¹⁷⁸
Washington ¹⁷⁹ – banks	-	Yes	-	-	Services provided at offices. Other factors determined by the superintendent.
West Virginia ¹⁸⁰ – banks	Yes, same as federal CRA.	Yes, same as federal CRA.	Yes, same as federal CRA.	Yes, same as federal CRA.	-

4.7. Investment-related factors

States also measure whether a financial institution meets the credit needs of its community by reviewing investments that may benefit the institution's assessment area or surrounding areas (Figure 7). Like the federal CRA, state laws define what types of activities constitute "qualifying investments" which are considered for evaluation, or otherwise provide specific examples in the statute or regulatory text. Investments which are considered usually take the form of loans, grants, in-kind contributions, participation in community development projects, or other investment vehicles.

In addition to generally following the framework for qualified investments under the federal CRA, there is a wide variation of unique investment types reflecting the states' ability to further tailor their CRA statutes. For example, the Illinois and Massachusetts CRAs both include consideration of investments supporting minority-depository institutions (MDIs) and other community-based lending institutions. West Virginia considers participation and investment in industrial and economic development programs, industrial revenue bonds, and local and municipal school bonds. Washington state includes provisions specific to the support of small businesses and microenterprise projects.

There is also variation in the scope of institutions subject to the investment test. For example, the District of Columbia only applies an investment test to institutions that hold public deposits. In Massachusetts, credit unions are not required to be evaluated under the investment test, but qualified investments may be considered in certain circumstances. Mortgage companies in Massachusetts with at least a satisfactory rating may opt to have their qualified investments considered as well. Several states allow the consideration of investments which benefit the broader region beyond an institution's assessment area.

The federal CRA provides criteria for assigning one of five possible conclusions on the community development financial test based on the bank's record of helping meet the credit needs its entire community through community development loans.¹⁸¹

FIGURE 7: INVESTMENT-RELATED FACTORS

State	Community Development and Other Investments
Connecticut – banks and CUs	Criteria for banks are the same as the federal CRA. ¹⁸² Criteria for credit unions consider qualified investments, including those in the assessment area or a broader state-wide or regional area. ¹⁸³
District of Columbia – banks, CUs, mortgage companies	Consider loans and qualified investments (only for entities receiving the city’s public deposits). ¹⁸⁴
Illinois – banks, CUs, mortgage companies	Consider participation and investments in community development assistance programs, minority-owned depository institutions, community development financial institutions (CDFIs), and others. ¹⁸⁵
Massachusetts – banks and CUs – mortgage companies	Consider investments, deposits membership shares, and grants in support of qualifying activities. ¹⁸⁶ Also consider donating, selling, or making branches in predominantly minority neighborhoods available rent-free to a minority depository institution (MDI) or women’s depository institution. ¹⁸⁷ Credit unions are exempt from the investment test. ¹⁸⁸ Criteria for lenders with at least a “satisfactory” rating on lending and services tests include qualified investments. ¹⁸⁹
New York – banks and CUs – mortgage companies	Consider investments, deposits, membership shares, and grants in support of qualifying activities. ¹⁹⁰ Consider factors as determined by the regulator. ¹⁹¹
Rhode Island – banks and CUs	Consider participation, including investments, in local community development and redevelopment projects or programs ¹⁹² and other factors may be determined by the regulator. ¹⁹³
Washington – banks	Consider participation, including investments, in local community and microenterprise projects, ¹⁹⁴ cash or in-kind support to state or local organizations supporting small businesses, ¹⁹⁵ and other factors determined by the regulator. ¹⁹⁶
West Virginia – banks	Criteria are the same as the federal CRA, ¹⁹⁷ but also include participation and investment in industrial and economic development programs, industrial revenue bonds, and local and municipal school bonds. ¹⁹⁸

4.8. Coordination with other government agencies and public input

Six state CRAs explicitly permit regulators to coordinate with other government entities, including federal CRA supervisory agencies, while conducting exams for at least one type of financial institution. Coordination may consist of cooperative agreements between regulators, examination coordination, or consideration of relevant documents from other regulators. The

specific terms of coordination and information sharing vary across states (Figure 8). Only two states did not specify procedures for such coordination.

All the state CRAs reviewed require some consideration of violations of other laws, and some states require consideration of compliance with specific fair lending, fair housing, and other protections as part of a performance evaluation. For example, New York considers violations of the Equal Credit Opportunity Act (ECOA), Fair Housing Act (FHA), Home Ownership and Equity Protection Act (HOEPA), Section V of the Federal Trade Commission Act (FTCA), Section VIII of the Real Estate Settlement Procedures Act (RESPA), certain provisions of the Truth in Lending Act (TILA), several state laws, and other applicable laws. Other states, such as Connecticut, consider compliance with the federal CRA and generally applicable consumer protection laws.

Under the federal CRA regulations adopted in October 2023, a financial institution's performance evaluation is adversely affected by evidence of discriminatory or illegal credit practices, including ECOA, FHA, HOEPA, FTCA, RESPA, and TILA violations.¹⁹⁹ It also provided some additional examples of discriminatory or illegal practices, including violations of the Military Lending Act, the Servicemembers Civil Relief Act, the Consumer Financial Protection Act's prohibition against unfair, deceptive, or abusive acts or practices, and made other revisions.²⁰⁰

The vast majority of the state CRAs reviewed consider public input in evaluations, most frequently in the form of written comments submitted to the regulator. However, states vary in how much community outreach regulators or institutions are required to conduct to solicit such input. For example, Massachusetts requires each financial institution to post a public notice in the lobbies of its offices with specific language encouraging public involvement in its CRA evaluation.²⁰¹ Other states retain records of comments and consumer complaints submitted regarding specific institutions and may consult these during periodic evaluations. New York, Rhode Island, and West Virginia additionally permit public hearings in certain circumstances. Public comments are also considered under the federal CRA. CRA-covered banks must maintain a public file which includes all written comments received from the public that relate to their performance in helping meet community credit needs.²⁰² Public comments are also considered during the development and approval of a CRA strategic plan.²⁰³ Public hearings are also held in certain circumstances.

FIGURE 8: COORDINATION WITH OTHER GOVERNMENT AGENCIES AND PUBLIC INPUT

State	Coordination with Other Government Entities	Evidence of Other Violations	Public Input Considered
District of Columbia – banks, CUs, and mortgage companies	Yes. Can enter into cooperative agreements to coordinate exams, receive reports, or for other purposes. ²⁰⁴	For financial institutions that hold city deposits, evidence of discriminatory, unfair, or deceptive lending practices in violation of the ECOA, FHA, or as determined by federal agencies. ²⁰⁵	Yes. Written comments, if holding public deposits. ²⁰⁶
Illinois – banks, CUs, and mortgage companies	Yes. Can enter into cooperative agreements to coordinate exams, receive reports, or for other purposes. ²⁰⁷	Evidence of discriminatory and prohibited practices. ²⁰⁸ Regulator has authority to examine for compliance with applicable state and federal fair lending laws, including but not limited to the Illinois Human Rights Act, ECOA, and HMDA. ²⁰⁹	Yes. Written comments. ²¹⁰
Massachusetts – banks and CUs	Yes. Can enter into cooperative agreements to coordinate exams, receive reports, or for other purposes. ²¹¹	Evidence of discriminatory or other illegal credit practices. ²¹²	Yes. Written comments. ²¹³
– mortgage companies	Yes. May consider confidential information from other regulatory agencies and may choose to share information with other regulators or law enforcement. ²¹⁴	Evidence of discriminatory or other illegal credit practices, including but not limited to the ECOA, HMDA, Section. V of FTCA, Section 8 of RESPA, and various state laws (Mass. Gen. Laws Ann. 151B, 183C, 93A, and 140D). ²¹⁵	Yes. Written comments. ²¹⁶
New York – banks and CUs	Yes, may request additional documents from federal regulatory agencies as applicable. ²¹⁷	Evidence of prohibited discriminatory or other illegal credit practices. Assessment considers violations of an applicable law, including but not limited to Sec. 296-a of NYSEL, ECOA, FHA, Sec. 6-I of N.Y. Business Law, HOEPA, Sec. 5 of the FTCA, Sec. 8 of RESPA, and certain provisions of TILA. ²¹⁸	Yes. Written comments and public hearings in certain circumstances. ²¹⁹
– mortgage companies	None specified.	Evidence of prohibited discriminatory or other illegal credit practices. ²²⁰	Yes. Written comments and public hearings in certain circumstances. ²²¹
Rhode Island – banks and CUs	Yes, may request additional documents from federal regulatory agencies as applicable. ²²²	Evidence of prohibited discriminatory or other illegal credit practices. ²²³ Most recent federal CRA rating is considered. ²²⁴	Yes. Written comments and public hearings in certain circumstances. ²²⁵

State	Coordination with Other Government Entities	Evidence of Other Violations	Public Input Considered
Connecticut – banks and CUs	None specified.	For banks, compliance with federal CRA considered, as well as any administrative or judicial decision or order concerning the entity's compliance with applicable federal and state consumer protection laws. ²²⁶	Yes. Written comments. ²²⁷
Washington – banks	Yes, may request additional documents from federal regulatory agencies as applicable. ²²⁸	Evidence of prohibited discriminatory or other illegal credit practices. ²²⁹	None specified.
West Virginia – banks	None specified.	Compliance with federal CRA considered. ²³⁰	Yes. Written comments, public review of application materials, and public hearing in certain circumstances. ²³¹

4.9. Data sources and requirements

While the state CRAs reviewed have diverse data reporting configurations, they overwhelmingly rely upon data collection practices already required under federal law. Seven states rely significantly upon federal data collection practices for evaluating at least one type of financial institution (Figure 9). Mortgage lending data is collected under the Home Mortgage Disclosure Act (HMDA), which is implemented by the CFPB. Financial institutions that originate at least 25 closed-end mortgage loans or 200 open-end mortgage loans in each of the two preceding calendar years must maintain, report, and publicly disclose loan-level information about mortgages.²³² The federal CRA regulation finalized in October 2023 adopted agency-specific provisions to amend the rule and transition to use of small business lending application data to be collected by the CFPB under Section 1071 of the Dodd-Frank Act once it is available.²³³

Data collection requirements vary based on institutional coverage (Figure 2), exam structure (Figure 3), and performance evaluation criteria (Figures 5-7). In states that rely on information from the federal CRA performance evaluation, additional data sources may not be necessary. In states that conduct their own performance evaluations but limit institutional coverage to banks, HMDA and CRA data may be available if the institution meets certain reporting requirements. Where these states include a CRA mandate for credit unions or mortgage companies which do not report federal CRA data, state data collection may be necessary. Additional state data collection may also be necessary where a state CRA-covered institution is not required to report

HMDA, small business, small farm, or other information to federal regulator but is subject to a state CRA evaluation of their performance in one or more of these areas.

To address these and other possible data gaps, some states go further than federal laws in their state data collection requirements.²³⁴ For example, in August 2023, New York implemented a business data collection rule that requires banking institutions originating 25 business credit transactions or more in each of the preceding two years to collect and maintain information about their business loans and applicants without regard to size.²³⁵ State CRA regulators then assess the provided business loan data for compliance with non-discriminatory lending laws and how well the institutions serve the credit needs of minority- and women-owned businesses.

FIGURE 9: DATA SOURCES AND REQUIREMENTS

State	Lending and Other Data Requirements and Sources
Connecticut	Additional data may be necessary to supplement data provided in the federal CRA performance evaluation. Banks are assessed using applicable methodology from federal CRA. ²³⁶ Independent of any federal determination, credit unions are assessed on certain required factors that may require review of geographic lending activity and origination of mortgages and other lending as applicable. ²³⁷
District of Columbia	Community development plans are considered using certain factors which may require additional data, including to determine whether financial institutions are originating loans in the District, in designated development areas, and to minority, low- to moderate-income, and/or elderly residents. ²³⁸
Illinois	Assessments may consider mortgage, small business, and other lending patterns. Statute requires assessment of mortgage loan originations, loans to certain small businesses, and certain lending patterns. ²³⁹ Proposed regulations would require the disclosure of HMDA, small business, small farm, and community development data by certain covered financial institutions, and optional disclosure of consumer loan data. ²⁴⁰
Massachusetts	Assessments consider lending activity and geographic distribution of mortgage, small business, small farm loans, and certain consumer loans. ²⁴¹ Credit unions, which do not report federal CRA data, are exempt from most of the state's reporting requirements. Certain credit unions must report HMDA information. ²⁴² Institutions may optionally disclose consumer loan data. ²⁴³
New York	Banking institutions are assessed, among other things, on lending geographic distribution and the origination of mortgage, small business, and small farm loans, or minority- and women-owned business loans with their communities. ²⁴⁴ Mortgage bankers are assessed on the geographic distribution of application, originations, and denials, which may require the consideration of mortgage loan data. ²⁴⁵ Banking institutions originating 25 credit transactions for businesses or more in each of past two years must collect and maintain certain information about the loan and the applicant. ²⁴⁶ Regulator can determine at a future date that compliance with Section 704B of the ECOA constitutes compliance with state small business data collection requirements. ²⁴⁷
Rhode Island	Additional data may be necessary to supplement data provided in the federal CRA performance evaluation. Assessments may consider geographic lending activity and the origination of mortgage, small business, and small farm loans. ²⁴⁸

State	Lending and Other Data Requirements and Sources
Washington	Additional data may be necessary to supplement data provided in the federal CRA performance evaluation. Independent of any federal determination, institutions are assessed on certain required factors that may consider geographic lending activity and origination of mortgage, small business, and small farm loans. ²⁴⁹
West Virginia	Voluntary. Institution may include supplemental information for certain credit activities supporting the record of performance. ²⁵⁰

4.10. Enforcement mechanisms

States consider a financial institution’s CRA performance when evaluating applications for certain activities like their federal supervisory counterparts. However, states also consider CRA performance in other ways.

Figure 10 summarizes the most common enforcement mechanisms of state CRAs. The federal CRA requires federal supervisory agencies to consider a financial institution’s CRA record when evaluating an application for deposit facility.²⁵¹ All eight states reviewed require state regulators to consider a financial institution’s CRA performance during an application for a merger or acquisition and every state except for the District of Columbia considers CRA performance as part of an office or branch application. Most states also consider CRA performance as part of a license or similar application. Connecticut considers a credit union’s CRA performance when considering a field of membership amendment. New York and Massachusetts vest state regulators with the authority to make additional licenses or applications subject to a CRA performance review.

Figure 11 summarizes some additional circumstances where state regulators consider a financial institution’s CRA performance. Three states require corrective action or provide additional benefits for certain ratings. For example, Connecticut requires banks and credit unions that receive less than an outstanding or satisfactory rating, respectively, to submit a written CRA plan detailing how they will meet the credit needs of the community. Massachusetts permits alternative branch opening procedures or less frequent examinations for financial institutions with higher ratings, and Illinois has proposed a similar examination procedure. Connecticut and the District of Columbia require covered institutions to have an outstanding or satisfactory rating to serve as a public depository. In 2021, Illinois passed a series of financial laws including a state CRA and a separate provision requiring institutions to receive an outstanding or satisfactory federal CRA rating to serve as a public depository.

Two states can limit certain products or increase investments based on CRA performance. In Massachusetts, the supervisory agency has discretion to use its regulatory or enforcement

authority and may place limitations on certain financial products based on the findings and ratings of an institution’s CRA exam. In Washington state, a higher CRA rating may make an institution eligible to increase its investments in real property.

This study also examined state CRAs for enforcement mechanisms such as civil monetary penalties or structural remedies. None of the state CRAs reviewed explicitly provide for the ability to impose civil monetary penalties or structural remedies such as senior management liability or remediation, including for repeat offenses.²⁵²

FIGURE 10: CONSIDERATION OF STATE CRA PERFORMANCE WHEN CONSIDERING OR ACTING ON CERTAIN APPLICATIONS

State	Merger and acquisition applications	Office or branch applications	Limitations on other types of applications
Connecticut – banks ²⁵³ and CUs ²⁵⁴	Yes (both)	Yes (banks)	Performance of community credit unions is considered during an amendment to certificate of incorporation or certain amendments to its field of membership.
District of Columbia – banks, CUs, and mortgage companies	Yes ²⁵⁵	No	Application for a certificate of authority. ²⁵⁶
Illinois ²⁵⁷ – banks, CUs, and mortgage companies	Yes	Yes	Application for license or change in control.
Massachusetts – banks and CUs	Yes ²⁵⁸	Yes ²⁵⁹	Creation of a wholly-owned subsidiary or any other activity determined by Commissioner. ²⁶⁰
– mortgage companies	Yes ²⁶¹	Yes ²⁶²	License to conduct business. ²⁶³ Any other approval of the Commissioner. ²⁶⁴
New York – banks and CUs	Yes ²⁶⁵	Yes ²⁶⁶	Any other activity or notice determined by superintendent by regulation. ²⁶⁷
– mortgage companies	Yes ²⁶⁸	Yes ²⁶⁹	License or change in control. ²⁷⁰ Any other action included by regulation. ²⁷¹
Rhode Island – banks and CUs	Yes ²⁷²	Yes ²⁷³	Change in control. ²⁷⁴
Washington ²⁷⁵ – banks	Yes	Yes	License to engage in business activity. ²⁷⁶ For commercial banks, conversion from national to state-chartered bank and any other activity determined by superintendent. ²⁷⁷
West Virginia ²⁷⁸ – banks	Yes	Yes	Charter for a state bank. Additional requirements or limitations apply to banks with needs to improve or substantial noncompliance ratings.

FIGURE 11: ADDITIONAL ENFORCEMENT MECHANISMS

State	Corrective action or benefits for certain ratings	Ability to serve as a public depository	Limitations or benefits for certain product lines	Civil monetary penalties or structural remedies
Connecticut	Yes. Any bank or credit union with below an “outstanding” or “satisfactory” rating, respectively must provide regulator with a description of improvement efforts. ²⁷⁹	Yes. Banks and community credit unions may not receive a rating of “needs to improve” or “substantial noncompliance.” ²⁸⁰	None	None
District of Columbia	Silent	Yes. Institutions must receive at least a “satisfactory” rating on federal CRA to apply ²⁸¹ and are subject to additional evaluation criteria. ²⁸²	None	None
Illinois	No corrective action. Can adopt alternative examination for covered financial institutions with ratings of outstanding or high satisfactory. ²⁸³	Yes. Depositories subject to federal CRA must have a federal CRA rating of satisfactory or outstanding. ²⁸⁴	None	None
Massachusetts	No corrective action. Can adopt examination procedure or branch opening procedure for banks with ratings of outstanding or high satisfactory. ²⁸⁵	None	Yes ²⁸⁶	None
New York	Silent	None	None	None
Rhode Island	Silent	None	None	None
Washington	Silent	None	Institutions can increase real property investments depending on rating. ²⁸⁷	None
West Virginia	Silent	None	None	None

5. Findings

Some states conduct independent examinations of lending-, services-, and investment-related performance while other states review federal CRA performance evaluations in conjunction with additional state-designated factors. In some states, performance evaluations are periodic, while other states review a financial institution's performance in response to an application for a merger, branch, license, or other activity.

Some states apply an affirmative lending, service delivery, and investment obligation to mortgage companies, in addition to deposit-taking institutions. Most state CRAs adopted shortly after the passage of the federal CRA in 1977 applied only to banks. Several states, including Massachusetts and New York, later expanded their CRAs to cover mortgage companies. Illinois included mortgage companies when it passed its state CRA in 2021. Additionally, some states apply CRA obligations to credit unions.

Some states collect and consider information beyond what is required under the federal CRA to evaluate lending, services, and investment performance in their state. Most states rely on existing data, such as Home Mortgage Disclosure Act data for mortgage lending, or federal CRA data for small businesses or small farms, to complete their evaluations. At least one state, New York, requires additional business lending data reporting beyond what is required by the federal CRA. Additionally, some states have the authority to collect data from institutions that are not required to report federal mortgage, small business, small farm, or other data.

The most common enforcement mechanisms include limitations on mergers, acquisitions, branching activities, and licensing, but some states have adopted additional measures. For example, a financial institution's CRA performance rating may be a factor in the ability to conduct certain types of activities, such as serving as a depository for public monies. Some states permit less frequent exams after an institution receives a higher performance rating or require corrective action for a lower performance rating. Like the federal CRA, none of the state CRAs reviewed explicitly provide for the ability to issue civil monetary penalties or structural remedies for failing to meet state CRA requirements.

State CRAs have been amended from time to time in response to changing markets. Many state CRAs were initially passed shortly after the enactment of the federal CRA in 1977. Just as the federal CRA has been revised since its passage, state CRAs have been amended to cover additional types of financial institutions, collect additional data to better understand financial markets, and address other state-specific needs.

6. Conclusion

Many state CRAs share the same goals, structure, and process as the federal CRA but contain state-specific examination procedures, evaluation criteria, and enforcement mechanisms to address community reinvestment priorities. There is frequent coordination among state and federal supervisory agencies in the implementation of state CRAs. Many states conduct their own standalone performance evaluations or review additional information that is not included on a federal CRA performance evaluation. Still, others have expanded state CRA obligations to cover institutions that are not subject to federal CRA evaluations. In these cases, state regulators often rely on lending or other data collected by federal supervisory agencies, or, in the absence of these data, collect this information at the state level. Additionally, several states consider violations of federal consumer financial laws or other state or federal laws during CRA performance evaluations.

Taken together, this review suggests that states play an active and ongoing role in promoting reinvestment by a wide range of institutions and that continued review is necessary to understand these developments. It also suggests that data collected by federal agencies are often used for state CRA compliance and other oversight purposes. The CFPB will continue to monitor state CRA developments.²⁸⁸

Endnotes

¹ 12 U.S.C. §§ 2901–2908 (referred to throughout as the federal CRA to differentiate it from state-level CRAs that are the subject of this report).

² 12 U.S.C. § 2901(a)(3).

³ Consumer Fin. Prot. Bureau, *Understanding Redlining* (Fall 2022) https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_understanding-redlining_handout.pdf.

⁴ 42 U.S.C §§ 3601–3619.

⁵ §§ 3601–3619.

⁶ 12 U.S.C. §§ 2801–2810 (implemented at 12 C.F.R. § 1003). The Home Mortgage Disclosure Act was also passed to help address persistent redlining and, like the Community Reinvestment Act, has been amended since its passage to address market and policy issues. *See* Federal Financial Institutions Examination Council, *History of HMDA* (accessed Aug. 25, 2023), <https://www.ffiec.gov/hmda/history2.htm>.

⁷ 12 U.S.C. § 2801(a) (“The Congress finds that some depository institutions have sometimes contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on reasonable terms and conditions”).

⁸ 123 Cong. Rec. 17630 (1977) (Statement of Sen. Proxmire) <https://www.congress.gov/95/crecb/1977/06/06/GPO-CRECB-1977-pt14-7.pdf>.

⁹ *See* 12 CFR part 25 (OCC), 12 CFR part 228 (Regulation BB) (Board), and 12 CFR part 345 (FDIC). References to the federal CRA reflect changes adopted October 24, 2023, where noted. Citations refer to Community Reinvestment Act Final Rule at (Oct. 24, 2023) <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/frn-cra-20231024.pdf>. and use the format § __.xx throughout.

¹⁰ 12 U.S.C. § 2906(a).

¹¹ § 2906(b)(2).

¹² 12 U.S.C. § 2903(a)(1) (“deposit facility” is defined at 12 U.S.C. § 2902(3)(E) and includes an application for a bank charter, deposit insurance, establishment or relocation of a branch, and a merger or acquisition).

¹³ 12 U.S.C. §§ 2801–2810 (implemented at 12 C.F.R. pt. 1003).

¹⁴ 15 U.S.C. § 1691c-2; 12 C.F.R. § 1002.101 et seq.

¹⁵ Community Reinvestment Act Final Rule at 12 (October 24, 2023) <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/frn-cra-20231024.pdf>.

¹⁶ Pub. L. 101–73, title XII, §1212(b), Aug. 9, 1989, 103 Stat. 527 (codified at 12 U.S.C. § 2906).

¹⁷ Pub. L. 103–328, title I, §110, Sept. 29, 1994, 108 Stat. 2364 (codified at 12 U.S.C. § 2906).

¹⁸ 12 Fed. Reg. 22156, Community Reinvestment Regulations.

¹⁹ Pub. L. 106–102, title VII, §712, Nov. 12, 1999, 113 Stat. 1469 (codified at 12 U.S.C. § 2908).

²⁰ 70 Fed. Reg. 44256, Community Reinvestment Act Regulations.

²¹ 81 Fed. Reg. 48506, Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Guidance.

²² 85 Fed. Reg. 34734, Community Reinvestment Act Regulations.

²³ 86 Fed. Reg. 71328, Community Reinvestment Act Regulations.

²⁴ 87 Fed. Reg. 33884, Community Reinvestment Act.

²⁵ *Agencies issue final rule to strengthen and modernize Community Reinvestment Act regulations* (Oct. 24, 2023) <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024a.htm>. Depending on a bank’s asset size or other designation, federal supervisory agencies will evaluate their performance using a combination of seven performance tests. This report does not provide a direct comparison of each federal performance test to the evaluation factors listed in each state CRA law.

²⁶ Avery et al., *supra* note 20, at 34.

²⁷ Mitchell and Silver, *supra* note 21 (Figure 4, Holdings of US Mortgage Debt).

²⁸ Consumer Fin. Prot. Bureau. *Data Point: 2021 Mortgage Market Activity and Trends* 55 (Sept. 2022) <https://www.consumerfinance.gov/data-research/research-reports/data-point-2021-mortgage-market-activity-trends/>.

²⁹ Consumer Fin. Prot. Bureau. *Banking and Credit Access in the Southern Region of the U.S* 3 (June 2023) <https://www.consumerfinance.gov/data-research/research-reports/banking-and-credit-access-in-the-southern-region-of-the-us/>.

³⁰ See Rohit Chopra, “Statement of CFPB Director Rohit Chopra, FDIC Board Member, on the Notice of Proposed Rulemaking Regarding the Community Reinvestment Act, Consumer Fin. Prot. Bureau (May 2022) <https://www.consumerfinance.gov/about-us/newsroom/statement-of-cfpb-director-rohit-chopra-fdic-board-member-on-the-notice-of-proposed-rulemaking-regarding-the-community-reinvestment-act/>. See also, *Statement of CFPB Director Rohit Chopra, Member, FDIC Board of Directors, on the Final Rule Implementing the Community Reinvestment Act* (October 24, 2023) <https://www.consumerfinance.gov/about-us/newsroom/statement-of-cfpb-director-rohit-chopra-member-fdic-board-of-directors-on-the-final-rule-implementing-the-community-reinvestment-act/>.

³¹ See, e.g. Consumer Fin. Prot. Bureau CFPB, DOJ Order Trident Mortgage Company to Pay More Than \$22 Million for Deliberate Discrimination Against Minority Families (Jul. 2022) <https://www.consumerfinance.gov/about-us/newsroom/cfpb-doj-order-trident-mortgage-company-to-pay-more-than-22-million-for-deliberate-discrimination-against-minority-families/>.

³² 205 Ill. Comp. Stat. Ann. 735/35-10(a); Conn. Gen. Stat. Ann. § 36a-30; and Mass. Gen. Laws Ann. Ch. 167, § 14.

³³ Wash. Rev. Code Ann. § 30A.60.010.

- ³⁴ N.Y. Banking Law §§ 28-b(3), 28-bb(1).
- ³⁵ W. Va. Code Ann. § 31A-8B-2(b); 19 R.I. Gen. Laws Ann. § 19-9-4(b).
- ³⁶ *See, e.g.*, Me. Rev. Stat. Ann. tit. 5, § 135 (Maine) and Md. Code Ann., State Fin. & Proc. § 6-203 (Maryland).
- ³⁷ V.I. Code Ann. tit. 9, § 68.
- ³⁸ La. Stat. Ann. § 6:124.1(B).
- ³⁹ Miss. Code Ann. § 81-1-100.
- ⁴⁰ Md. Code Ann., Fin. Inst. § 5-206.1(a).
- ⁴¹ 1989 Conn. Legis. Serv. 89-295, § 1 (effective Jul. 1, 1990).
- ⁴² 2001 Conn. Legis. Serv. 01-9, § 3 (effective Jul. 1, 2001).
- ⁴³ 1991 Conn. Legis. Serv. 91-180 § 1; 1994 Conn. Legis. Serv. 94-122 § 16 (effective Jan. 1, 1995); 1995 Conn. Legis. Serv. 95-155 § 5 (effective Jun. 27, 1995); 1996 Conn. Legis. Serv. 96-8 § 1 (effective Apr. 29, 1996); 2002 Conn. Legis. Serv. 02-89 § 74.
- ⁴⁴ 2002 Conn. Legis. Serv. 02-73 § 80; 2003 Conn. Legis. Serv. 03-84 § 76 (effective Jun. 3, 2003).
- ⁴⁵ Applies only to the geographic field of the credit union.
- ⁴⁶ 48 D.C. Reg. 3244 (Jun. 9, 2001).
- ⁴⁷ 62 D.C. Reg. 255 (Mar. 11, 2015).
- ⁴⁸ 2020 Ill. Legis. Serv. P.A. 101-657 § 35-1 (effective Mar. 23, 2021).
- ⁴⁹ 2021 Ill. Legis. Serv. P.A. 102-687 § 115 (effective Dec. 17, 2021).
- ⁵⁰ 46 Ill. Reg. 19726—19894 (credit unions, banks, and mortgage companies). *See also* Illinois Joint Committee on Administrative Rules, *Second Notice JCAR380185-2219726r02*, <https://www.ilga.gov/commission/jcar/SecondNotices/380185-2219726r02.pdf>.
- ⁵¹ 1982 Mass. Legis. Serv. Ch. 155 § 5.
- ⁵² 1990 Mass. Legis. Serv. Ch. 102 §§ 6—9; 1996 Mass. Legis. Serv. Ch. 238 § 13; 2004 Mass. Legis. Serv. Ch. 461 § 3—5 (effective Mar. 30, 2005); 2010 Mass. Legis. Serv. Ch. 240 § 150 (effective Aug. 1, 2010).
- ⁵³ 2007 Mass. Legis. Serv. Ch. 206 § 13 (effective Nov. 29, 2007).
- ⁵⁴ Ch. 223 § 4—5 (effective Dec. 28, 2007).
- ⁵⁵ 1978 N. Y. Sess. Laws Ch. 788 § 3 (effective Dec. 8, 1978).
- ⁵⁶ 1980 N. Y. Sess. Laws Ch. 883 § 3; 1984 N. Y. Sess. Laws Ch. 360 §§ 7—8, 361 §§ 1—3; 1996 N. Y. Sess. Laws 9 § 2; 1999 N. Y. Sess. Laws Ch. 454 § 1 (effective Nov. 6, 1999); 2008 N. Y. Sess. Laws Ch. 315 § 7 (effective Jul. 21, 2008); 2011 N. Y. Sess. Laws Ch. 62, pt. A § 104 (b), (g) (effective Oct. 3, 2011); 2012 N. Y. Sess. Laws Ch. 180 § 1 (effective Jul. 18, 2012); 2013 N. Y. Sess. Laws Ch. 227 §§ 3—5 (effective Jul. 31, 2013); 2019 N. Y. Sess. Laws Ch. 264 § 1 (effective Jan. 11, 2020), Ch. 590 § 1 (effective Apr. 4, 2020).

⁵⁷ 2021 N. Y. Sess. Laws Ch. 549 § 1 (effective Nov. 1, 2022).

⁵⁸ N. Y. Dept. of Fin. Services, *Regulatory Agenda* 8 (Jan. 10, 2023)https://www.dfs.ny.gov/system/files/documents/2023/02/2023_dfs_regulatory_agenda.pdf.

⁵⁹ 1995 R.I. Pub. Laws Ch. 82 § 47.

⁶⁰ 1997 R.I. Pub. Laws Ch. 98 § 8.

⁶¹ 1985 Wash. Legis. Serv. Ch. 329.

⁶² 1985 Wash. Legis. Serv. Ch. 329 § 2; 1994 Wash. Legis. Serv. Ch. 92 § 157; 2009 Wash. Legis. Serv. Ch. 486 § 3; 2008 Wash. Legis. Serv. Ch. 240 § 1.

⁶³ 1994 Wash. Legis. Serv. Ch. 92 § 410.

⁶⁴ 1982 W. Va. Acts 23.

⁶⁵ 12 U.S.C. §2902(2) referencing 12 U.S.C § 1813(c)(2) (The term “insured depository institution” means any bank or savings association the deposits of which are insured by the Corporation pursuant to this chapter).

⁶⁶ The Connecticut CRA applies to all bank and trust companies, savings banks, and savings and loan associations with a branch in the state regardless of where they are chartered. It excludes (1) bankers’ banks, (2) banks that only engage in cash management controlled disbursement services, (3) correspondent banks, (4) trust companies, (5) clearing agents, and (6) all other special purpose banks that do not perform commercial or retail banking services in which credit is granted to the public in the ordinary course of business, other than as an incident to their specialized operations. *See* Conn. Gen. Stat. Ann. § 36a-2(4), (12), (28) (definitions), 36a-30(a)(1) (defining “bank” in the CRA), 36a-32 (evaluation criteria).

⁶⁷ The Connecticut CRA applies to credit unions chartered in the state with total assets of \$10 million or more and a membership limited to persons within a well-defined community, neighborhood, or rural district. *See* Conn. Gen. Stat. Ann. § 36a-37(2).

⁶⁸ The DCCRA applies to all “financial institutions,” including banks, savings institutions, credit unions, foreign banks, trust companies, non-depository financial institutions, any other persons engaged in an activity covered by the D.C. Banking Code, and any other persons regulated, supervised, examined, licensed, or applying for such activities by the D.C. Department of Insurance, Securities, and Banking. *See* D.C. Code Ann. §§ 26-431.02(7), 26-551.02(18).

⁶⁹ The DC CRA applies to trust companies, savings banks, savings and loan associations, savings institutions, foreign banks, and any institution engaged in the “business of banking.” Such business is defined to include (1) “receiving deposits, paying checks, and lending money;” (2) “activities of a bank which are supervised by the Commissioner;” and (3) “activities incidental, necessary, or convenient to banking.” *See* D.C. Code Ann. §§ 26-551.02(3), (5), (8), (18).

⁷⁰ The DCCRA applies to all credit unions, regardless of where they are chartered, that are insured by the National Credit Union Administration. “Bank” is defined in the statute to also include credit unions. *See* D.C. Code Ann. §§ 26-551.02(3), (8).

⁷¹ The DC CRA applies to mortgage lenders since it covers all “financial institutions,” including non-depositories, which are engaged in the “business of banking” and other activities. *See* D.C. Code Ann. §§ 26-431.02(7), 26-551.02(5).

⁷² The Illinois CRA applies to banks, savings banks, and credit unions chartered or incorporated in the state, as well as mortgage lenders licensed in the state that lent or originated 50 or more residential mortgage loans in the preceding calendar year. The statute additionally permits the regulator to evaluate other financial institutions in its jurisdiction, as designated by rule. *See* 205 Ill. Comp. Stat. Ann. 735/35-5.

⁷³ The Massachusetts CRA applies to all “institutions,” which are defined to include both banks and credit unions chartered in the state as well as out-of-state banks, out-of-state national banks, and foreign banks with a branch in the state. *See* 209 Mass. Code Regs. 46.12 (definitions), 46.21 (general CRA requirements). Requirements and evaluation criteria vary based on the total assets of each institution. *See* 209 Mass. Code Regs. 46.12 (defining “small” and “intermediate small” institutions), 46.21(1)(c) (small institution performance standards), 46.26 (alternative criteria), 46.42 (data collection requirements).

⁷⁴ The Massachusetts CRA applies to credit unions chartered in the state as well as out-of-state credit unions and out-of-state national credit unions with a branch in the state. Requirements and evaluation criteria vary based on the total assets of the credit union. *See* 209 Mass. Code Regs. 46.12 (definitions), 46.21(1)(c) (small institution performance standards), 46.21(e) (credit union performance standards), 46.26 (alternative criteria), 46.42 (data collection requirements).

⁷⁵ The Massachusetts CRA applies to mortgage lenders licensed in the state that originate 50 or more home mortgage loans reportable under HMDA in the preceding calendar year. *See* Mass. Gen. Laws Ann. 255E § 8; 209 Mass. Code Regs. 54.12.

⁷⁶ Under the Massachusetts CRA, wholesale and limited purpose institutions are evaluated only by a specifically prescribed community development test that considers their community development lending, qualified investments, and community development services. Wholesale institutions are defined as “an institution that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale institution is in effect.” Limited purpose institutions are defined as “an institution that offers only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market and for which a designation as a limited purpose institution is in effect.” *See* 209 Mass. Code Regs. 46.12 (definitions) 46.21(1)(b) (community development test for wholesale and limited purpose institutions), 46.25 (alternative criteria).

⁷⁷ The New York CRA applies to banks, trust companies, savings banks, savings and loan associations, and credit unions chartered in the state, as well as foreign banking corporations with a branch in the state that is FDIC-insured. *See* N.Y. Banking Law § 28-b(4) (statutory definition), N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.2(d) (regulatory definition). Requirements and evaluation criteria vary based on the total assets of each institution. *See* N.Y. Comp. Codes R. & Regs. Tit. 3 §§ 76.2(y) (defining institutions by asset thresholds), 76.5 (varying cadence of CRA evaluations), 76.7, 76.8, 76.9 and 76.10 (large bank performance criteria), 76.12 (small banking institution performance standards specifying alternative test criteria).

⁷⁸ The New York CRA defines a regulated “banking institution” to include credit unions. *See* N.Y. Banking Law § 28-b(4).

⁷⁹ The New York CRA requires the regulator to consider a state-chartered mortgage banker’s record of performance in “helping to meet the credit needs of its entire community” whenever it applies for a change in control or other adjustments. The superintendent has the authority to establish a threshold minimum number of loans that mortgage bankers must originate to be subject to such evaluation. *See* N.Y. Banking Law § 28-bb.

⁸⁰ Under the New York CRA, wholesale banking and limited purpose banking institutions are evaluated only under a specifically prescribed community development test that considers their community development lending, qualified investments, and community development services. Wholesale banking institutions are defined as institutions “not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale banking institution by the appropriate Federal regulatory authority is in effect.” Limited purpose banking institutions are defined as institutions that offer “only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market and for which a designation as a limited purpose banking institution is in effect.” See N.Y. Comp. Codes R. & Regs. Tit. 3 §§ 76.2(bb), 76.2(o), 76.11.

⁸¹ The Rhode Island CRA applies to banks, trust companies, savings banks, loan and investment banks, savings and loan associations, credit unions (except those whose bylaws significantly limit the field of membership, as determined by the regulator), financial institutions authorized to accept money on a deposit pursuant to Title 19 of the Rhode Island General Laws, and other insured deposit-taking institutions that are authorized to do business in the state. See R.I. Gen. Laws Ann. §§ 19-1-1(3), (7), (10) (definitions), 19-9-4 (evaluation criteria).

⁸² The Rhode Island CRA applies to credit unions authorized to do business in the state but excludes those “whose bylaws significantly limit the field of membership as determined by the [regulator].” See R.I. Gen. Laws Ann. § 19-9-4(f).

⁸³ The Washington CRA applies to commercial and savings banks chartered in the state but excludes trust companies. See Wash. Rev. Code Ann. § 30A.04.010(2) (defines commercial banks to exclude trust companies, savings associations, or a mutual savings banks), 30A.60.010 (applies to commercial banks), 32.04.020(9) (defines savings and mutual savings banks), 32.40.010 (applies to savings banks).

⁸⁴ The West Virginia CRA applies to all banks chartered in the state as well as all bankholding companies, domestic subsidiaries thereof, and domestic subsidiaries of state-chartered banks operating, or with an application to operate, in the state. See W. Va. Code R. § 106-12-1.1.

⁸⁵ 12 U.S.C. § 2906.

⁸⁶ §2908.

⁸⁷ 12 C.F.R. __.28(2)(b)

⁸⁸ 12 C.F.R. __28(a)(1).

⁸⁹ 12 U.S.C. § 2906(b).

⁹⁰ Federal Financial Institutions Examinations Council, *CRA Ratings Database*, https://www.ffiec.gov/craratings/Rtg_spec.html.

⁹¹ Conn. Gen. Stat. Ann. §§ 36a-32(b)(2) (banks), 36a-37b (credit unions).

⁹² §§ 36a-32(b)(2) (banks), 36a-37a(b)(2) (credit unions).

⁹³ D.C. Code Ann. §§ 26-431.04(b)–26-431.05.

⁹⁴ §§ 26-431.04(e).

⁹⁵ §§ 26-431.04(b)–26-431.05.

⁹⁶ § 26-431.06(a).

⁹⁷ 205 Ill. Comp. Stat. Ann. 735/35-15(a)-(b).

⁹⁸ 735/35-15(b).

⁹⁹ 735/35-15(a).

¹⁰⁰ 735/35-15(c); 46 Ill Reg. 19773-19787 (credit unions), 19838-19852 (banks). *See also line 1700 in Illinois Joint Committee on Administrative Rules, Second Notice JCAR380185-2219726r02, <https://www.ilga.gov/commission/jcar/SecondNotices/380185-2219726r02.pdf> (credit unions).*

¹⁰¹ Mass. Gen. Laws Ann. 167 § 14.

¹⁰² 167 § 14.

¹⁰³ Mass. Div. of Banks, *Regulatory Bulletin: 1.3-105 Alternative CRA Examination Procedures* (Oct. 2, 2012), <https://www.mass.gov/regulatory-bulletin/13-105-alternative-cra-examination-procedures>.

¹⁰⁴ Mass. Gen. Laws Ann. 167 § 14; 209 Mass. Code Regs. 46.28 (1).

¹⁰⁵ 255E § 8.

¹⁰⁶ 255E § 8.

¹⁰⁷ Mass. Div. of Banks, *Regulatory Bulletin: 1.3-105 Alternative CRA Examination Procedures* (Oct. 2, 2012), <https://www.mass.gov/regulatory-bulletin/13-105-alternative-cra-examination-procedures>.

¹⁰⁸ Mass. Gen. Laws Ann. 255E § 8; 209 Mass. Code Regs. 54.21 (1), 54.61.

¹⁰⁹ N.Y. Comp. Codes R. & Regs. Tit. 3 §§ 76.5(a), (c).

¹¹⁰ Tit. 3 § 76.5(c).

¹¹¹ Tit. 3 § 76.5(a).

¹¹² Tit. 3 § 76.5(a).

¹¹³ N.Y. Banking Law § 28-bb(5) (rating scale will be determined by regulation when adopted).

¹¹⁴ R.I. Gen. Laws Ann. § 19-9-4(b).

¹¹⁵ § 19-9-4(b).

¹¹⁶ § 19-9-4(a).

¹¹⁷ Wash. Rev. Code Ann. §§ 30A.60.010(1) (commercial banks), 32.40.010(1) (savings banks).

¹¹⁸ § 30A.04.212(3) (commercial banks).

¹¹⁹ §§ 30A.60.010(3) (commercial banks), 32.40.010(3) (savings banks).

¹²⁰ W. Va. Code § 31A-8B-4; W. Va. Code R. § 106-12-2.1.

¹²¹ W. Va. Code § 31A-8B-4; W. Va. Code R. § 106-12-2.1.

¹²² W. Va. Code R. § 106-12-4.1.

¹²³ Community Reinvestment Act Final Rule at 9 (Oct. 24, 2023) <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/frn-cra-20231024.pdf>. As under the current CRA regulations, the final rule maintains facility-based assessment areas as the cornerstone of the CRA evaluation framework.

¹²⁴ *Id.* at 9. The final rule requires a large bank to delineate a new type of assessment area, referred to as retail lending assessment areas, in an MSA or the nonmetropolitan area of a State in which the large bank has a concentration of closed-end home mortgage or small business lending outside of its facility-based assessment area(s).

¹²⁵ 12 C.F.R. § __.16(d).

¹²⁶ D.C. Code Ann. § 26-431.04(a)(1).

¹²⁷ 205 Ill. Comp. Stat. Ann. 735/35-10(a).

¹²⁸ See lines 1213-1244 in Illinois Joint Committee on Administrative Rules, *Second Notice JCAR 380185-2219726r02*, <https://www.ilga.gov/commission/jcar/SecondNotices/380185-2219726r02.pdf>.

¹²⁹ 209 Mass. Code Regs. 46.41(3) (facilities include deposit-taking ATMs; “surrounding areas” refer to Census tracts or blocks).

¹³⁰ 46.41(7), (8).

¹³¹ 54.22(1)(a) (“The lending test evaluates a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth through its lending activities by considering a mortgage lender's home mortgage and community development lending”).

¹³² 54.12, 54.23 (2), (definition of community development loan includes “benefits the Commonwealth or a broader regional area that includes the Commonwealth”).

¹³³ 54.61 (2)(1)(c).

¹³⁴ N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.6(c) (facilities include deposit-taking ATMs).

¹³⁵ Conn. Gen. Stat. Ann. § 36a-30(c).

¹³⁶ § 36-37a(b).

¹³⁷ R.I. Gen. Laws Ann. § 19-9-4(a).

¹³⁸ Wash. Rev. Code Ann. § 30A.60.010(1), (2).

¹³⁹ W. Va. Code § 31A-8B-4; W. Va. Code R. § 106-12-2.1.

¹⁴⁰ 209 Mass. Code Regs. 46.12; N.Y. Comp. Codes R. & Regs. tit. 3, § 76.8(a)(1).

¹⁴¹ § __.22(a)(2).

¹⁴² 12 C.F.R. § __.22(a).

¹⁴³ D.C. Code Ann. § 26-431.04(c).

¹⁴⁴ § 26-431.04(c)(12) (small business loans, including to minority- and women-owned small businesses; community development loans and investments; and efforts to engage in foreclosure prevention and loss mitigation are considered for deposit-receiving institutions but not for others).

¹⁴⁵ 205 Ill. Comp. Stat. Ann. 735/35-10(c).

¹⁴⁶ Limited to small business loans to small businesses with an annual gross revenue of \$1 million or less.

¹⁴⁷ 46 Ill. Reg. 19743-19746 (credit unions), 19810-19813 (banks).

¹⁴⁸ 46 Ill. Reg. 19743-19746 (credit unions), 19810-19813 (banks). The proposed regulation would consider consumer loans when they comprise a majority of lending by the institution.

¹⁴⁹ 46 Ill. Reg. 19743-19746 (credit unions), 19810-19813 (banks), 19873-19875 (mortgage companies).

¹⁵⁰ 209 Mass. Code Regs. 46.22.

¹⁵¹ Limited to business loans to small businesses with an annual gross revenue of \$1 million or less.

¹⁵² Limited to loans to small farms with an annual gross revenue of \$1 million or less.

¹⁵³ Considered if consumer lending is substantial majority of institution's business, or if institution chooses to provide the information. Massachusetts relies on federal CRA Guidelines for the definition of a "substantial majority." See 81 Fed. Reg. 48536 *Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Guidance* ("to be so significant a portion of the institution's lending activity by number and dollar volume of loans that the lending test evaluation would not meaningfully reflect its lending performance if consumer loans were excluded").

¹⁵⁴ Mass. Gen. Laws Ann. 255E § 8; 209 Mass. Code Regs. 54.22.

¹⁵⁵ Limited to HMDA-reportable loans. Community development loans may be considered either under the lending or community development test, but not both. See 209 Mass. Code Regs. 54.22.

¹⁵⁶ N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.8 (lending test).

¹⁵⁷ Considered if consumer lending is substantial majority of institution's business, or if the institution chooses to provide the information.

¹⁵⁸ N.Y. Banking Law § 28-bb(1)(e), (f), (i).

¹⁵⁹ R.I. Gen. Laws Ann. § 19-9-4(b).

¹⁶⁰ Wash. Rev. Code Ann. §§ 30A.60.010(2) (commercial banks), 32.40.010(2) (savings banks).

¹⁶¹ Conn. Gen. Stat. Ann. § 36a-32(a).

¹⁶² § 36a-37a(c).

¹⁶³ W. Va. Code § 31A-8B-4; W. Va. Code R. § 106-12-2.1.

¹⁶⁴ W. Va. Code R. § 106-12-3.2. Housing-related loans include mobile home loans, government-backed loans, and loans in low- and moderate- income neighborhoods. Commercial and industrial loans include those backed by the Small Business Administration and Farmers Home Administration and community purpose loans.

¹⁶⁵ 12 C.F.R. § __.23(b). Additional the federal CRA evaluates certain banks' retail banking products under this test, as appropriate at § __.23(c).

¹⁶⁶ Conn. Gen. Stat. Ann. § 36a-32(a).

¹⁶⁷ § 36a-37a(c).

¹⁶⁸ § 36a-32(a)(2).

¹⁶⁹ D.C. Code Ann. § 26-431.04(c)(4)(A).

¹⁷⁰ § 26-431.04(c)(4)(B).

¹⁷¹ § 26-431.04(c)(4)(C).

¹⁷² 205 Ill. Comp. Stat. Ann. 735/35-10(c)(9).

¹⁷³ 46 Ill. Reg. 19814-19816 (banks), 19875-19876 (mortgage lenders), 19748-19750 (credit unions). Service test proposals for each category include consideration of branch locations, branch openings and closings, alternative delivery systems, and community development services. The proposed regulation would exempt mortgage lenders who make fewer than 100 loans in a calendar year from the services test.

¹⁷⁴ 209 Mass. Code Regs. 46.24.

¹⁷⁵ 209 Mass. Code Regs. 54.23(4)(a). Mortgage lenders that made fewer than 100 loans in the previous year are exempt from this services test.

¹⁷⁶ N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.10 (services test).

¹⁷⁷ N.Y. Banking Law § 28-bb(1).

¹⁷⁸ R.I. Gen. Laws Ann. § 19-9-4(b)(9).

¹⁷⁹ Wash. Rev. Code Ann. §§ 30A.60.010(2) (commercial banks), 32.40.010(2) (savings banks).

¹⁸⁰ W. Va. Code § 31A-8B-4; W. Va. Code R. § 106-12-2.1.

¹⁸¹ 12 CFR § __.24

¹⁸² Conn. Gen. Stat. Ann. § 36a-32(a).

¹⁸³ § 36a-37a(c)(1).

¹⁸⁴ D.C. Code Ann. §§ 26-431.04(c)(12)(A), (D). Deposit-receiving institutions are assessed on efforts to locate retail loan officers and community development loan officers in the District and facilitate contact with them.

¹⁸⁵ 205 Ill. Comp. Stat. Ann. 735/35-10(c)(5), (9).

¹⁸⁶ 209 Mass. Code Regs. 46.23(1), 46.12 (definition of qualified investments). Credit unions are not required to be evaluated under the investments test.

¹⁸⁷ 209 Mass. Code Regs. 46.23(4).

¹⁸⁸ 46.23(1)

¹⁸⁹ 54.21(1).

¹⁹⁰ N.Y. Comp. Codes R. & Regs. Tit. 3 §§ 76.9 (investment test), 76.2(v) (definition of qualifying investment).

¹⁹¹ N.Y. Banking Law § 28-bb(1)(k).

¹⁹² R.I. Gen. Laws Ann. § 19-9-4(b)(5).

¹⁹³ § 19-9-4(b)(9).

¹⁹⁴ Wash. Rev. Code Ann. §§ 30A.60.010(2)(h) (commercial banks, which includes both “local community and microenterprise development projects”), 32.40.010(2)(h) (savings banks, which includes only “local community development projects”).

¹⁹⁵ Wash. Rev. Code Ann. § 30A.60.010(2)(h) (commercial banks).

¹⁹⁶ Wash. Rev. Code Ann. §§ 30A.60.010(2)(m) (commercial banks), 32.40.010(2)(l) (savings banks).

¹⁹⁷ W. Va. Code § 31A-8B-4; W. Va. Code R. § 106-12-2.1.

¹⁹⁸ W. Va. Code R. § 106-12-3.2.

¹⁹⁹ 12 C.F.R. __.28(d)1.

²⁰⁰ 12 C.F.R. __.28(e).

²⁰¹ 209 Mass. Code Regs. §§ 46.44, 46.62.

²⁰² 12 C.F.R. __.43(a)(1)

²⁰³ 12 C.F.R. __.27(d)(2)

²⁰⁴ D.C. Code Ann. § 26-431.07.

²⁰⁵ § 26-431.06(e).

²⁰⁶ § 26-431.06(d). Evaluation of public comments received only occurs for institutions holding public deposits or investments.

²⁰⁷ 205 Ill. Comp. Stat. Ann. 735/35-25.

²⁰⁸ 735/35-10(c)(8).

²⁰⁹ 735/35-15(a).

²¹⁰ 735/35-15(b)(5).

²¹¹ Mass. Gen. Laws Ann. 167 § 14.

²¹² 209 Mass. Code Regs. 46.28 (3).

²¹³ 46.29(2).

²¹⁴ Mass. Gen. Laws Ann. 255E § 8.

²¹⁵ 255E § 8; 209 Mass. Code Regs. § 54.25(3).

²¹⁶ 209 Mass. Code Regs. § 54.25 (“In considering record of performance in applications described in 209 CMR 54.26(1), the Commissioner takes into account any views expressed by interested parties that are submitted.”).

²¹⁷ N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.15 (banks and credit unions).

²¹⁸ Tit. 3 § 76.5(b); Benjamin M. Lawskey, *Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act* (Dec. 4, 2014), <https://www.dfs.ny.gov/system/files/documents/2020/03/il141204.pdf>.

²¹⁹ N.Y. Banking Law §§ 28-b(3)(a), (b)(3)(b).

²²⁰ § 28-bb(1)(g).

²²¹ § 28-bb(2).

²²² R.I. Gen. Laws Ann. § 19-9-4(e).

²²³ § 19-9-4(b)(4).

²²⁴ § 19-9-4(b)(1).

²²⁵ §§ 19-9-4(b), (c).

²²⁶ Conn. Agencies Regs. § 36a-34-2(a).

²²⁷ Conn. Gen. Stat. Ann. §§ 36a-32(a)(3) (banks), § 36a-37a(c)(9) (credit unions).

²²⁸ Wash. Rev. Code Ann. §§ 30A.60.010(1) (commercial banks), 32.40.010(1) (savings banks).

²²⁹ §§ 30A.60.010(2)(f) (commercial banks), 32.40.010(2)(f) (savings banks).

²³⁰ W. Va. Code R. § 106-12-2.1.

²³¹ §§ 106-12-5, 31A-3-3.

²³² 12 C.F.R. § 1003.2(g).

²³³ 12 C.F.R. __.12.

²³⁴ Small Business Lending Under the Equal Credit Opportunity Act (Regulation B), 12 C.F.R. § 1002 (2023); Consumer Fin. Prot. Bureau, *CFPB Finalizes Rule to Create a New Data Set on Small Business Lending in America* (Mar. 30, 2023), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-create-a-new-data-set-on-small-business-lending-in-america/>.
<https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-create-a-new-data-set-on-small-business-lending-in-america/>.

²³⁵ N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.16; N.Y. Dept. of Financial Services, *FAQs for Section 76.16 Data Collection and Reporting Regulation* (accessed Aug. 17, 2023), https://www.dfs.ny.gov/apps_and_licensing/banks_and_trusts/cra_faqs/section76_16_data_collect_reporting.

²³⁶ Conn. Gen. Stat. Ann. § 36a-32(a).

²³⁷ § 36a-37a(c).

²³⁸ D.C. Code Ann. § 26-431.04(c).

²³⁹ 205 Ill. Comp. Stat. Ann. 735/35-15(c)(3), (4), (7).

²⁴⁰ 46 Ill. Reg. 19762, 19827, 19878.

²⁴¹ 209 Mass. Code Regs. 46.22(1)(a).

²⁴² 46.42(1) and (2).

²⁴³ 46.42(3).

²⁴⁴ N.Y. Banking Law § 28-b(3)(a)(9); 3 N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.8(b)(1) to (2).

²⁴⁵ § 28-bb(1).

²⁴⁶ N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.16 et seq; N.Y. Dept of Financial Services, *FAQs for Section 76.16 Data Collection and Reporting Regulation* (accessed Aug. 17, 2023), https://www.dfs.ny.gov/apps_and_licensing/banks_and_trusts/cra_faqs/section76_16_data_collect_reporting.

²⁴⁷ N.Y. Comp. Codes R. & Regs. Tit. 3 § 76.16(h)(1).

²⁴⁸ R.I. Gen. Laws §§ 19-9-4(b)(3), (6).

²⁴⁹ Wash. Rev. Code Ann. §§ 30A.60.010(2)(e), 30A.60.010(2)(i) (commercial banks), 32.40.010(2)(e), 32.40.010(2)(i) (savings banks).

²⁵⁰ W. Va. Code R. § 106-12-3.2.

²⁵¹ 12 U.S.C. § 2903(a)(2).

²⁵² For a definition of repeat offender, see Rohit Chopra, “*Reining in Repeat Offenders*”: 2022 *Distinguished Lecture on Regulation*, University of Pennsylvania Law School, Consumer Fin. Prot. Bureau (Mar. 2022) <https://www.consumerfinance.gov/about-us/newsroom/reining-in-repeat-offenders-2022-distinguished-lecture-on-regulation-university-of-pennsylvania-law-school/>.

²⁵³ Conn. Gen. Stat. Ann. § 36a-32(c); Conn. Agencies Regs. § 36a-34-2(a).

²⁵⁴ Conn. Gen. Stat. Ann. §§ 36a-37d, 35a-4-62(a), 36a-438a(d)(2).

²⁵⁵ D.C. Code Ann. § 26-431.04(b)(2).

²⁵⁶ § 26-431.04(b)(1).

²⁵⁷ 205 Ill. Comp. Stat. Ann. 735/35-30.

²⁵⁸ 209 Mass. Code Regs. 46.29(1)(c), (d), 46.29(3).

²⁵⁹ 46.29(1)(a), (b).

²⁶⁰ 46.29(1)(e), (h).

²⁶¹ 54.26(1)(c), 54.26(3).

²⁶² 54.26(1)(b).

²⁶³ 54.26(1)(a).

²⁶⁴ 54.26(1)(d).

²⁶⁵ N.Y. Banking Law § 28-b(3)(a)(ii).

²⁶⁶ § 28-b(3). CRA performance is also considered when taking action on an application for a public accommodation office and automated teller machine, point-of-sale terminal or electronic facility.

²⁶⁷ § 28-b(3).

²⁶⁸ § 28-bb(1) (captured under the authority to review CRA performance as part of applications for a license or change in control).

²⁶⁹ § 28-bb(1).

²⁷⁰ § 28-bb(1).

²⁷¹ § 28-bb(1).

²⁷² R.I. Gen. Laws Ann. §§ 19-2-13, 19-9-4(b).

²⁷³ §§ 19-2-11, 19-2-12, 19-9-4(b).

²⁷⁴ §§ 19-8-2, 19-9-4(b).

²⁷⁵ Wash. Rev. Code Ann. §§ 30A.04.212(3), 30A.60.020 (commercial banks), 32.40.020 (savings banks), Wash. Admin. Code § 208-512-200(1)–(7) (regulatory interpretation of statute on commercial banks).

²⁷⁶ §§ 30A.04.020 (commercial banks), 32.40.020 (savings banks).

²⁷⁷ Wash. Admin. Code § 208-512-200(6)–(7).

²⁷⁸ W. Va. Code § 31A-8B-3.

²⁷⁹ Conn. Agencies Regs. § 36a-34-2 (b)(1)(A) (banks); Conn. Gen. Stat. Ann. § 36a-37b (credit unions).

²⁸⁰ Conn. Gen. Stat. Ann. §§ 36a-33 (banks), 36a-37e (credit unions).

²⁸¹ D.C. Code Ann. § 26-431.06(f).

²⁸² § 26-431.04(c)(12) (small business loans, including to minority- and women-owned small businesses; community development loans and investments; and efforts to engage in foreclosure prevention and loss mitigation are considered for deposit-receiving institutions but not for others).

²⁸³ 205 Ill. Comp. Stat. Ann. 735/35-15.

²⁸⁴ 15 Ill. Comp. Stat. Ann. 520/16.3(a-5), (a-10).

²⁸⁵ Mass. Gen. Laws Ann. 167 § 14 (examination procedures); 209 Mass. Code Regs. 46.29(4) (branch opening).

²⁸⁶ The regulator has the authority to issue enforcement actions against any Massachusetts or out-of-state branch for CRA or CRA for mortgage lenders rating of “Needs to Improve” or “Substantial Noncompliance. Enforcement actions will include corrective actions to ensure that regulatory concerns are promptly and fully addressed by the institution. Mass. Div. of Banks, *Regulator Bulletin, 1.1-101 Examination Policy, Section 3.0 Regulatory and Enforcement Actions* (Oct. 7, 2022), [https://www.mass.gov/regulatory-bulletin/11-101-examination-policy#2-1-examination-scheduling-](https://www.mass.gov/regulatory-bulletin/11-101-examination-policy#2-1-examination-scheduling)

²⁸⁷ Wash. Rev. Code Ann. §§ 30A.04.212 (commercial banks), 32.08.157 (parity provision for savings banks).

²⁸⁸ Requests can be coordinated through the CFPB Office of Intergovernmental Affairs at IGA@cfpb.gov.