

Age-Friendly Banking and the OCC and FDIC’s Proposed Changes to the Community Reinvestment Act

In December 2019, the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) issued a notice of proposed rulemaking (NPRM) that would considerably weaken the regulations implementing the Community Reinvestment Act (CRA), a law designed to combat redlining by requiring banks to affirmatively and continually meet community needs for credit and banking services in all communities where they have branches. CRA would be diluted in many significant ways, especially for older adults with low- to moderate-incomes (LMI).

Age-Friendly Banking

[Age-Friendly Banking](#) is a set of recommendations that NCRC has developed for federal, state and industry stakeholders that will improve the financial system’s accessibility, responsiveness and safety for older adults. Older adults hold approximately [70%](#) of deposit balances.

NCRC’s Age-Friendly Banking initiative centers around six primary principles: protecting older people from financial abuse and fraud, customizing financial products and services to senior needs, expanding affordable financial management, guaranteeing access to critical income supports, facilitating aging in the community and improving the accessibility of banking for those with restricted mobility or who are living alone.

The Effect on Senior Banking

The Community Reinvestment Act would be substantially diluted by the new [OCC and FDIC proposal](#), with distinct implications for safe and affordable banking for seniors with LMI. The following chart highlights the implications for seniors with LMI and banking given the proposed rulemaking, based on [NCRC’s analysis](#).

Proposed Rulemaking	Effect on Banking for Seniors
It would broaden what bank activities are CRA-qualifying so that CRA dollars may look like they are increasing but may actually decrease for people and communities with LMI.	Under the existing law and regulations, banks could get qualifying CRA credit for creating Age-Friendly Banking accounts for customers with LMI, that feature no-to-low fees and read or view only access. With broadened CRA-qualifying activities, there is less incentive for banks to create Age-Friendly Banking account products.

(Continued on reverse)

(Continued from reverse)

Proposed Rulemaking	Effect on Banking for Seniors
It would significantly dilute focus of bank activities on consumers and communities with LMI.	In general, the proposal makes it so much easier for banks to pass CRA exams, banks may be disincentivized to do special outreach to certain populations, like older adults with LMI.
It limits consideration of bank branches more than under the current CRA service test. Banks may respond by closing more branches in LMI communities.	While mobile banking is on the rise for seniors, older adults overwhelmingly prefer brick and mortar banks and financial institutions. Bank branches help offer older adults the ability to do their banking with familiar faces whom they trust. Bank branches offer a respite from social isolation, the opportunity to provide light ATM or technology training as well as in-branch training opportunities around financial health, money management and protecting against financial abuse and exploitation.
It would reduce consideration of qualitative criteria that measure responsiveness to local needs, such as offering non-predatory checking accounts and accounts with age-friendly features.	NCRC members have developed relationships with banks to create Age-Friendly Banking pilots or programs in bank branches. The ability for community-based organizations to build relationships with banks to innovate and meet specific needs is drastically diminished by the proposed rulemaking.

CRA was created to combat redlining and systematic discrimination against communities with LMI and communities of color. CRA's imposed affirmative obligation on banks to serve LMI communities helps customers make safe and sound banking decisions. This OCC and FDIC proposal will diminish, if not outright halt, progress by allowing banks to divert their attention and investment away from communities with LMI. Safe, secure and affordable options for seniors with LMI will likely be minimized under this proposed rulemaking.

Learn more:

<https://ncrc.org/treasureCRA/>

<https://ncrc.org/afb-standards/>

NCRC and its grassroots member organizations create opportunities for people to build wealth. We work with community leaders, policymakers and financial institutions to champion fairness and end discrimination in lending, housing and business. Our members include community reinvestment organizations, community development corporations, local and state government agencies, faith-based institutions, community organizing and civil rights groups, minority and women owned business associations and social service providers from across the nation.