



Enact the *Community Reinvestment Act Modernization Act of 2009*

The *Community Reinvestment Act* (CRA) has been one of the most important laws for building wealth and revitalizing neighborhoods. In order to expand upon the benefits of CRA, the National Community Reinvestment Coalition in partnership with Rep. Eddie Bernice Johnson will introduce the CRA Modernization Act of 2009. This legislation will:

- Bolster the accountability of banks to all communities by requiring CRA exams in the great majority of geographical areas banks serve.
- Address racial disparities in lending by requiring CRA exams to explicitly consider lending and services to minorities in addition to low- to moderate-income communities.
- Penalize banks that engage in predatory and abusive lending practices and securitization activities by assigning these banks lower CRA ratings.
- Hold banks accountable by providing more publicly available bank ratings so that the general public can clearly discern disparities in bank performance.
- Further enhance accountability through improved data disclosure by: 1) Requiring that small business loan data include the race and gender of the small business owner; 2) making data on deposit accounts by neighborhood publicly available; and 3) linking the *Home Mortgage Disclosure Act* to a new loan performance database tracking foreclosures and loan modifications.
- Require federal regulatory agencies to hold more public hearings and meetings when banks merge.
- Require HMDA-like data for insurance companies and securities firms so that the general public, community organizations, and federal agencies can assess the availability of their products to borrowers and communities by race, gender, and income levels.
- Apply CRA to a variety of non-bank institutions including independent mortgage companies, mainstream credit unions, mortgage company affiliates of banks, insurance companies, and securities firms.
- Apply CRA more broadly throughout the financial services industry.