



The Massachusetts Community & Banking Council was established to advance the availability of credit and financial services in traditionally underserved communities. Since 1990, the council has served as a forum where financial institutions and community organizations can collaborate to effect positive change.

MCBC currently helps over 150 representatives of financial institutions and community organizations navigate the socioeconomic landscape of our commonwealth and create opportunities for people in low-to-moderate income communities and minority communities to build lives and pursue entrepreneurship.

The council is comprised of two committees—each co-chaired by both a financial institution and a community representative. Through these collaborative partnerships, MCBC members attend roundtables and gain data-driven insights on current lending trends and wealth disparity.

Community Impact

Members support community lending and collaborate to respond to emerging issues like the foreclosure crisis and rapidly evolving regulatory environment. This effect is magnified by the perspective gained on local market conditions from a full range of stakeholders.

Institutional Reach

Members help new customers through initiatives like Basic Banking and Public/Quasi-public gap financing programs, while building relationships with institutional professionals knowledgeable in economic and small business development.

CRA Compliance

MCBC helps financial institutions stay current on CRA requirements while connecting with customers and community organizations. The Division of Banks considers a state-chartered institution's membership to be a qualified investment and community development service.

Opportunities to Make a Difference

DATA & REPORTS

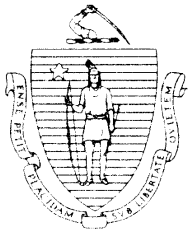
Data is at the center of good decision making. In 2019, we released the MCBC mortgage banking project—an interactive way to explore lending inequality across the commonwealth. Data includes lending by race and income and the comparative performance of major types of lenders.

FORUMS & EVENTS

Collaboration is at the heart of MCBC. We host monthly roundtables, presentations, and events for members and participating community organizations. In 2019, our Mortgage Lending Committee hosted over 50 members with speakers from the Federal Reserve Bank of Boston and other institutions.

BASIC BANKING

We believe in banking for all. Since 1994, MCBC has championed basic banking—a voluntary effort to provide low-cost accounts to customers with limited banking needs. In 2019, 88 banks and credit unions qualified for participation under Basic Banking guidelines.



The Commonwealth of Massachusetts

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July 20, 1999

Ms. Kathleen Tullberg
Manager
Massachusetts Community and Banking Council
40 Court Street
Boston, Massachusetts 02108

Dear Ms. Tullberg:

This letter responds to your correspondence dated June 28, 1999 to the Division of Banks ("Division") inquiring as to whether bank membership in the Massachusetts Community and Banking Council (MCBC) would qualify for consideration under the Commonwealth's Community Reinvestment Act ("CRA") statute, section 14 of chapter 167 of the General Laws and its implementing regulations, 209 CMR 46.00 et seq ("the Regulations").

According to your letter, MCBC was established in 1990 to encourage community investment in low and moderate-income and minority neighborhoods. Membership in MCBC consists of representatives from both community organizations and financial institutions. MCBC operates through several committees, which focus on such areas as banking services, mortgage lending, small business, and affordable housing. Through the work of these committees, MCBC works to promote a better understanding of the credit and financial needs of low and moderate-income and minority neighborhoods and to provide assistance in addressing these needs.

Bank members support the activities of MCBC in a variety of ways. Annual dues paid by bank members go to fund the administrative costs of the organization, as well as to support the costs of contracted reports, studies and other committee projects. In addition, bank members provide in-kind contributions through technical assistance and expertise to the MCBC Board of Directors and the various MCBC committees. In your letter, you inquired as to how bank membership in MCBC could be considered under the Investment Test and the Service Test of the Commonwealth's CRA regulations.

As part of the process of analyzing your request, the Division reviewed the applicable state Regulations for evaluation of this proposal under the "investment test" and "service test", so called.

The investment test under the Regulations evaluates an institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). See 209 CMR 46.23(1). A qualified investment is defined as "a lawful investment, deposit, membership share, or grant that has as its primary purpose community development." See 209 CMR 46.12. The definition of community development includes (a) affordable housing (including multi-family rental housing) for low- and moderate-income individuals;



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(b) community services targeted to low- and moderate-income individuals; (c) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross revenues of \$1 million or less; (d) activities that revitalize or stabilize the fishing industry; or (e) activities that revitalize or stabilize low- and moderate-income geographies. See 209 CMR 46.12.

The service test under the Regulations evaluates an institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. See 209 CMR 46.24(l). A community development service is defined as a service that (a) has as its primary purpose community development; (b) is related to the provision of financial services; and (c) has not been considered in the evaluation of the institution's retail banking services under 209 CMR 46.12.

Based on the above state regulatory provisions (i.e. 209 CMR 46.23(l) and 209 CMR 46.12), the Division would consider a state-chartered institution's membership dues to MCBC a qualified investment under the Commonwealth's CRA statute provided the organization's activities benefit the institution's assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Further, the Division would consider a state-chartered institution's in-kind contribution to MCBC a qualified community development service as defined under 209 CMR 46.12.

This analysis of applicable state law and related regulations was made on the basis of your written request. It remains the position of the Division that each financial institution is to determine which actions will allow it to comply with CRA within safe and sound banking practices. Accordingly, this letter is not an endorsement of your proposal by the Division.

The conclusions reached in this letter are based solely on the facts presented. Fact patterns that vary from that presented may result in a different position statement from the Division.

Very truly yours,



Thomas J. Curry
Commissioner of Banks

cc: Carl Schnapp, Federal Deposit Insurance Corporation

TJC/BMI
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