RPM CRA 2024 - GIS for Community Reinvestment

The Community Reinvestment Act (CRA) encourages depository institutions to help meet the credit needs of the communities in which they operate - including low- and moderate-income neighborhoods, distressed middle income neighborhoods, and underserved rural areas - consistent with safe and sound banking operations. It requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically. That record is taken into account in considering an institution's application to its regulator for deposit facilities, including mergers and acquisitions.

RPM CRA 2024 contains a current database of every Census Tract in the U.S., with its status noted as a Low, Moderate, Middle, or High-income area, based on the relationship of the tract income to the MSA in which it is situated; or, for non-MSA areas, to the County in which it is located.

- **Low income, less than 50% of MSA or County or County-equivalent income**
- **Moderate income, 50% to 79% of MSA or County income**
- **Middle income, 80% to 119% of MSA or County income**
- **High income, 120% of MSA or County income or higher.**

Additionally, some Middle-income tracts are designated as Distressed or Underserved areas, and these are updated annually by the FFIEC every July. Included as Distressed or Underserved are Rural Underserved Areas, Population Loss areas, Poverty areas, and/or High Unemployment areas.

Using RPM CRA 2024, a Bank can determine what proportion of its loans and deposits are distributed among each Income area, for each of its branches and communities - wherever the bank takes deposits and/or makes loans. For a bank branch to be considered to be located in a Low, Moderate, Distressed or Underserved area, the branch must be located "Near To" such an area, considered to be ½ of a mile. These locations are especially "CRA-sensitive". The file also includes **RPM Unbanked™**, the **Household Resilience Index** (**HRI**), and **Credit Card Utilization**.

- The MarketBank™ **Unbanked** model estimates the likelihood of a household to lack both a savings and checking account with a bank, thrift or credit union. It helps provide communities, bankers, regulators, and industry analysts a Census Block Group level view of access to the first-tier financial system.

- How prepared is your family for a sudden financial shock? Also based on Fed studies and Block Groups, the **HRI** describes the ability of a household to withstand a financial shock, such as those caused by the COVID-19 pandemic. A score of 100 is the U.S. average.

- Another part of RPM's MarketBank product usage and potential dataset, **Credit Card Line Utilization** describes the extent to which households use their credit cards.

 RPM CRA 2024™ from RPM Consulting
Marketing Technology for the 21st Century
Phone (818) 831-7607   Fax (818) 831-9078
27943 Seco Canyon Rd. #320
Santa Clarita, CA 91350
E-Mail askus@rpmconsulting.com WWW http://rpmconsulting.com