



## New graphic timeline shows Community Reinvestment Act evolution

by: Jennifer Wilding

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The Community Reinvestment Act (CRA) has reshaped how banks provide financial services to low- and moderate-income neighborhoods. The history and impact of this groundbreaking legislation is laid out in a compelling new graphic timeline. Fed Communities has published the timeline and other articles about the CRA as bank regulators seek to modernize the legislation. (Before Aug. 5, you can submit a comment on the proposed new rules.)

The timeline explains the historical conditions, such as discriminatory government and banking industry practices, that were the catalysts for federal action. It explains government efforts leading up to the CRA, and what the CRA – signed in 1977 by President Jimmy Carter – was intended to accomplish. From there, it covers the addition of community development teams to Federal Reserve Banks, and evidence of the CRA's impact over time.

The timeline is the latest in the "CRA: Building Blocks for Change" series on Fed Communities, the website that shares the Fed's work in lower income communities nationwide. Other stories show the CRA in action with groups like Wealth Watchers Inc., in Jacksonville, Florida, and TulsaWorks Career Academy in Tulsa, Oklahoma. Other stories show how Community Development Financial Institutions helped small businesses stay afloat at the start of the COVID-19 pandemic. It also includes posts detailing where the CRA has fallen short by failing to deliver to some communities, and what's next as financial regulators work to modernize the CRA.

## Find your own city's redlining maps

The Denver map, above, is from Mapping Inequality. The website offers interactive maps showing how the federal government's Home Owners' Loan Corp. (HOLC) described many cities between 1935 and 1940. Neighborhoods that received an A grade are green and considered safe investments. Neighborhoods with a D grade, colored red, are considered hazardous. On the site, if you click on the neighborhood it shows a more detailed description.

"HOLC created area descriptions to help organize the data they used to assign the grades," according to the Mapping Inequality website. "Among that information was the neighborhood's quality of housing, the recent history of sale and rent values, and,

crucially, the racial and ethnic identity and class of residents that served as the basis of the neighborhood's grade. These maps and their accompanying documentation helped set the rules for nearly a century of real estate practice."

When HOLC regulators analyzed Denver's neighborhoods, the ratings were:

Grade A, "best" 7%

Grade B, "still desirable" 15%

Grade C, "definitely declining" 47%

Grade D, "hazardous" 31%

## **Author**



## Jennifer Wilding Community Engagement Advisor

Jennifer Wilding, a community development specialist for the Kansas City Fed, provides communications, engagement, and research for the community development department. Wilding edits the Kansas City Fed's community development newsletter, "Community Connections" and takes on special projects. For example, she serves as project director for a community-engaged research partnership. The Kansas City Fed, a nonprofit and a neighborhood organization joined together to hear from neighborhood residents about broadband internet. The report will be shared nationwide. Before joining the Kansas City Fed in 2018, she was executive director of Consensus KC, a nonprofit consulting firm specializing in public policy and civic engagement. She worked on philanthropically funded projects in metro Kansas City, and for clients here and around the U.S.Wilding holds a B.A. in urban affairs from the University of Missouri-Kansas City. Her hobby is letterpress printing, using a 1,500-pound cast-iron press from the late 1800s. Highlights of her work include:Getting to 'We Have a Deal." The three-part article shares how Investment Connection bridges bankers and community-based organizations. The article is on Fed Communities, the national website about the Fed's work in communities. Disconnected: Seven lessons on fixing the digital divide. A layperson's guide to putting broadband, devices and training within reach of a community. Focus groups with unemployed individuals and with people from nonprofits that serve them, held in Chicago, Detroit, Denver and Kansas City. About the Federal Reserve Bank of Kansas CityThe Federal Reserve Bank of Kansas City is one of 12 regional Reserve Banks that, along with the Board of Governors in Washington, D.C., make up our nation's central bank. We work in the public's interest by supporting economic and financial stability. The Kansas City Fed's territory includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. Our headquarters is in Kansas City, with branch offices in Denver, Omaha and Oklahoma City. The Kansas City Fed Community Development Department promotes economic development and public understanding that leads to progress for lower-income individuals and communities. Our focus areas include community development investments, digital inclusion, small business / entrepreneurism, and workforce development.