



Exploring the roles of community development bankers in economic transformation

by: Marisa Martinez

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Community development bankers engage community stakeholders. Then they translate complex banking and community efforts into activities that support the bank's business objectives and promote economic mobility, resulting in a shared win.

In a recent roundtable at the Federal Reserve Bank of Kansas City, community development bankers from banks large and small shared their thoughts on the local community development landscape. The discussion highlighted two key points: the misconceptions about the role of community development bankers in economic transformation and a shared passion for banking and the community.

In the 1960s and 1970s, Congress passed legislation to promote fair and unbiased lending and investment in underserved communities. This was accomplished through the Home Mortgage Disclosure Act, the Fair Housing Act, and the Equal Credit Opportunity Act, collectively known as "fair lending laws." Alongside these laws, the [Community Reinvestment Act \(CRA\)](#) plays a pivotal role encouraging banks to meet the credit needs of low- to moderate-income communities, consistent with safe and sound operations.

The CRA serves as a test and sets the framework to validate a bank's community lending, investment, and service practices. It requires banks to provide these services to all segments of their communities, including lower income neighborhoods. This has resulted in many banks using community development strategies to reach these communities rather than waiting for applications to roll in.

At the roundtable, community bankers said some banks know it takes time to build trust in overlooked communities. So, some banks encourage their community development bankers to proactively make connections that foster long-term economic growth and financial empowerment. Community development bankers intentionally engage stakeholders through partnerships with nonprofits, businesses, civic organizations, and other community stakeholders. Then, they translate complex banking and community efforts into activities that support the bank's business objectives and promote economic mobility, resulting in a shared win.

The role of a community development banker can vary depending on the bank's organizational structure

People often misunderstand the role of the community development banker because where the banker is housed differs from bank to bank. Community development roles can be found in a variety of bank departments, including CRA compliance, marketing, and corporate social responsibility. Or, they may serve as sales and relationship managers. Their location in a bank often dictates their primary function.

For example, if the role is housed within a CRA compliance department, the banker might focus on recruiting and tracking CRA-eligible service hours. Other roles, like community/CRA mortgage lenders or small business community lenders, can be located within a line of business and are responsible for sourcing and connecting lending opportunities within untapped, underinvested areas. Regardless of how these roles are positioned, most community development bankers provide financial education and technical assistance and manage community relationships.

During the roundtable discussion, community bankers expressed the shared weight of their responsibilities serving the bank and the larger community. Additionally, some roundtable participants said others inside and outside of the bank perceive their work as merely promoting the bank's public image in certain areas. This perception may stem from the association of these roles with the CRA and fair lending regulations, which can mistakenly be viewed as unprofitable regulatory duties rather than investments in brand enhancement and business development. Additionally, external organizations may confuse these roles with those of CRA officers, incorrectly viewing them as intermediaries between lenders and banking opportunities.

Fulfilling a passion for banking and community

Many of the roundtable community development bankers have shared life experiences with their customers and come from the same communities the banks are trying to reach. These experiences allow them to transition seamlessly between the community and banking culture to promote a shared purpose. For that reason, roundtable participants all agreed that the work of a community development banker is not just a job, "it's a calling."

Their presence can foster goodwill and a stronger bank brand within communities, community bankers said. And since the need is too big for one person or bank to solve, they become masters of collaboration. When a borrower or customer is ready, these bankers often link arms with other bankers or lenders to help move a deal across the finish line. They talked about the value of partnerships, which enable them to pool resources, share best practices, and coordinate efforts to address complex social and economic challenges, which can turn into opportunities for innovation.

Community development bankers encounter challenges like others. And for what? According to the roundtable of community development bankers, "a shared purpose." They know their efforts contribute to economic development, economic mobility,

and social cohesion. Alongside their community and bank partners, they know they are crucial components in providing access to affordable credit, financial guidance and community resources that uplift individuals and families.

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Marisa Martinez is a community development advisor for the Federal Reserve Bank of Kansas City and works out of the Kansas City Office. A new member of the community development team, Martinez is focused on engaging with community stakeholders and sharing community development insights that support the community and financial needs for underserved communities across western Missouri, Kansas, and Kansas City. Through her work in the nonprofit and banking sectors over the past 25 years, Martinez has embraced the value of financial empowerment and its impact on personal finance and a thriving community. Prior to joining the Kansas City Fed, Martinez served as the senior vice president of community development at a large financial institution, where she managed a team that delivered inclusive banking products and services in underserved communities. Prior to that role, Martinez served as the bank's CRA officer, where she developed an appreciation for the Community Reinvestment Act and on how policies can encourage innovative and responsive solutions that support marginalized communities. Martinez is a second-generation Mexican American and first-generation college student, earning an undergraduate degree in social psychology, graduate certification in nonprofit leadership, and master's degree in public administration. Outside of work, Martinez enjoys spending time with her husband John and their dog Lola, and hosting large family gatherings.

About the Federal Reserve Bank of Kansas City The 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 / entrepreneurship, and workforce development.