



ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES
THE LEADERSHIP, EDUCATION, ADVOCACY & RESEARCH NETWORK

February 16, 2021

The Board of Governors of the Federal Reserve System
Marriner S. Eccles Federal Reserve Board Building
Constitution Ave NW & 20th St. NW
Washington, DC 20551

To the Board of Governors of the Federal Reserve System,

The [Association of University Centers on Disabilities](https://www.aucd.org) (AUCD) writes to provide input on the proposed rules for the Community Reinvestment Act (CRA) as they pertain to credit, capital, and financial services for low- and moderate-income (LMI) individuals with disabilities. AUCD supports and promotes a national network of university-based interdisciplinary programs. AUCD's mission is to advance policies and practices that improve the health, education, and social and economic well-being of all people with developmental and other disabilities, their families, and their communities by supporting our members in research, education, health, and service activities that achieve our vision.

We define disability as it is defined by [Sec.12102](#) in the Americans with Disabilities Act of 1990 (P.L.110325). According to the Centers for Disease Control and Prevention, at least 26% of adults in the United States have some type of disability.¹ People with disabilities face significant barriers to financial stability, such as lack of access to adequate education services, health and healthcare, workforce training and employment services, and critical supports to navigating complex banking and financial systems. These issues are further exacerbated if an individual with a disability also identifies as a racial or ethnic minority.

According to the National Disability Institute, more than 60 percent of adults with disabilities are considered LMI.² Other data indicates that people with disabilities make up approximately 12 percent of the U.S. working-age population; however, they account for more than 40 percent of those living in long-term poverty.³

We are grateful to the Board for their commitment to modernizing the CRA regulatory and supervisory framework to better meet the needs of chronically disadvantaged and LMI communities. We offer responses to questions **1**, **2**, **48**, **58**, and **61** for your consideration below:

Question 1: Does the Board capture the most important CRA modernization objectives? Are there additional objectives that should be considered?

AUCD supports the Board's efforts to modernize the CRA to address inequities in credit access for LMI communities. We urge the Board to consider the history of discrimination and disparities in credit access for households with at least one working-age adult with a disability. The latest data from FDIC documents that households with a working-age adult with a disability had credit denied or were not given as much credit as requested almost twice as frequently as households without a working-age adult with a disability (28.6 percent vs. 16.4 percent). At a considerably higher rate, households with a working-age adult with a disability do not apply for credit because of concerns of being turned down as compared to households without a working-age adult with a disability (11.8 percent vs. 6.9 percent). The disparities are even worse for Black households with a working-age adult with a disability.⁴

We also support the objective of greater clarity, transparency, and consistency regarding CRA-eligible activities. The Board should provide opportunities for feedback from stakeholders

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in the disability community on a bank's CRA performance to ensure the voices of individuals with disabilities are heard.

Additionally, we strongly suggest the Board explicitly commit to addressing the history of financial disenfranchisement of LMI people with disabilities as they intersect with other social identities such as race, ethnicity, gender, and age. Disability affects individuals of all social identities, but has disproportionate impacts on those with certain intersecting identities. To truly "modernize," current policy and practice must be changed to increase investment, lending, and services for the most economically vulnerable populations of LMI.

Question 2: In considering how the CRA's history and purpose relate to the nation's current challenges, what modifications and approaches would strengthen CRA regulatory implementation in addressing ongoing systemic inequity in credit access for minority individuals and communities?

We support the recommendations of the National Disability Institute and other organizations in calling for specific performance measures on the CRA tests and subtests that quantitatively and qualitatively assess lending, investing, and services for individuals with disabilities in LMI communities. To strengthen CRA implementation and address ongoing systemic inequity in credit access, there must be a new approach to performance evaluation that is sensitive to the diversity of the LMI population. This should include the disaggregation of data by assessment area that compares and contrasts loan data in terms of type and number of loans and the dollar amount of loans by LMI subgroups including race, ethnicity, gender, *and* disability, in contrast to the percent of small business, housing and consumer loans to LMI borrowers versus non-LMI borrowers. Data collection and disaggregation by disability status is paramount to understanding and addressing ongoing systemic inequity in credit access for minority individuals with disabilities.

Question 48: Should the Board develop quantitative metrics for evaluating community development services? If so, what metrics should it consider?

Whatever approaches taken in the use of quantitative and qualitative information to evaluate the impact and responsiveness of community development services, there must be consideration of whether or not the described services reached LMI individuals with disabilities, number impacted, and any evidence of outcomes. An example would be the delivery of financial education and or counseling to individuals with disabilities and reporting on the number of new bank accounts opened. An additional example is workforce development and reporting on the number of credentials achieved or new jobs obtained. If an impact scoring system is devised, the highest score could not be achieved without specific evidence of impact on LMI individuals with disabilities in sufficient numbers.

Question 58: How could the Board establish clearer standards for economic development activities to "demonstrate LMI job creation, retention, or improvement?"

With chronic low employment figures, and particularly challenging adverse impact from COVID-19 in job layoffs and reduced employment, it is important that workforce development activities, for both individuals with and without disabilities in LMI communities, be included in economic development activities. With an estimated 12 million jobs lost as of December 2020, and the continued high levels of individuals with and without disabilities relying on unemployment insurance payments, workforce development and job training programs should be identified clearly as a worthy and needed goal for CRA investment. Such efforts that focus on LMI individuals with disabilities, and also those at the intersection of race or ethnicity and disability, should be valued with extra credit to have a multiplier effect. This needed area of investment should include federal, state, and local economic and workforce development initiatives, and other private initiatives, including impact investment initiatives aimed at workforce, work-related technology, small business development and partnerships with CDFIs for creating or improving access by LMI adults and youth to jobs.

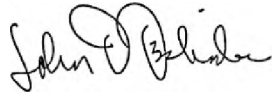
Question 61: What standards should the Board consider to define "essential community needs" and "essential community infrastructure," and should these standards be the same across all targeted geographies?

Whatever standard is to be framed to define "essential community needs" and "essential community infrastructure," such a standard must require review and analysis of the needs of LMI individuals with disabilities in the targeted geographic area through outreach and consultation with disability-related nonprofits and public agencies mandated to meet housing, workforce development, education and small business development for LMI people with disabilities. For example, the Association of University Centers on Disabilities has network centers in every state and territory prepared to provide such consultation on the "essential community needs" of individuals with disabilities in LMI communities, both in the COVID-19 crisis and beyond, and provide necessary outreach to those

individuals. Utilization of established, trusted community partners is critical to meeting the unique needs of individuals with disabilities across a range of geographic locations.

AUCD appreciates this opportunity to provide feedback to the Board on the proposed rules for the CRA. We look forward to continuing a productive working relationship in pursuit of creating equitable banking and financial systems that are inclusive of individuals with disabilities in LMI communities.

Sincerely,

A handwritten signature in black ink, appearing to read "John Tschida". The signature is fluid and cursive, with the first name "John" being the most prominent.

John Tschida
Executive Director
Association of University Centers on Disabilities

1. <https://www.cdc.gov/ncbddd/disabilityandhealth/infographic-disability-impacts-all.html>
2. *NDI Analysis of 2018 American Community Survey Public Use Microdata*
3. She, P. and Livermore, G. (2009). *Long-Term Poverty and Disability Among Working-Age Adults*. *Journal of Disability Policy Studies*. (19)4:244-256.
4. FDIC (2020): *How America Banks: Household Use of Banking and Financial Services: 2019 FDIC Survey*, Appendix Tables.