MEMBER SPOTLIGHT

National Community Reinvestment Coalition (NCRC)

Washington, D.C.

www.ncrc.org

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An interview with NCRC president and CEO, John Taylor.

NCRP: *NCRC recently held its annual conference with 600-plus attendees. What did the organization learn from its members about what's happening in local communities as the country emerges from the economic recession?*

JT: Our members reaffirmed to us that this crisis is far from over. While Wall Street and parts of middle America are rebounding, poverty in low-income and minority America has deepened.

Though the housing and economic recovery has started to take hold in some places, other cities and towns are still dealing with growing numbers of underwater homeowners, a continued stream of foreclosures and a lack of investment and available credit for homeowners and small businesses.

Leaders from local governments and community organizations, even those from places where things are looking better, told us that cuts from sequestration and other budget reductions pose a real threat to the recovery and the work they do. Those cuts, combined with Neighborhood Stabilization Program funding – which has made a big difference in many places – running out, mean that they have to turn to private sources for funding. Unfortunately, in many places, banks have not been stepping up to fill the gap; in fact, they're pulling back by closing branches, decreasing lending and the like. There are still a lot of people out there who are hurting, and communities need financial institutions to invest as government funding sources run dry.

While much of America celebrates an unemployment rate of 7–8 percent across the country, there is a severe shortage of jobs in communities of color and low- and moderate-income neighborhoods. Further, many of the available employment opportunities offer low wages with little or no benefits. Unemployment rates in some communities are higher than 20 percent.

Our annual conference and membership are constant reminders that while many great efforts have been made, the disparity in income, assets, education, health care and opportunity is dismal for nearly half of America. The so-called poor class is growing larger with little hope of abatement. Eventually, people will get more organized and the wealth and economics of our nation will work in a more democratic manner. The NCRC membership is at the vanguard of this movement and its efforts will create more opportunity for all as time goes on.

NCRP: *How can foundations be more helpful to NCRC and the organization's member base?*

JT: The biggest growth in community development in low- and moderate-income neighborhoods occurred in the 90s when CRA was enforced like never before. Compared to today's 1 percent CRA failure rate, nearly 10 percent of all banks received a failing CRA grade. In the U.S. Department of Treasury, the OCC and the White House, leaders at the highest levels were promoting the value of CRA. During this period, we saw the largest growth in community development corporations (CDC), community development financial institutions (CDFI) and more importantly safe and sound loans to low- and middle-income populations. In both 1994 and 1995, African Americans witnessed a 50 percent increase in the total amount of prime home loan originations.

CRA changed because advocates organized to rewrite the rules, create real transparency in Home Mortgage Disclosure Act (HMDA) data and increased public comments and action around bank applications to acquire other institutions.

It was also during this period that CRA advocates organized to get the new CDFI legislation passed that would put hundreds of millions of dollars into local CDFI efforts.

The point is that advocacy matters.

Foundations could be more helpful by providing patient, sustainable funding for advocacy and organizing. We see a persistent problem that foundations like to support the next new thing, creating new organizations and funding new models, when perhaps existing groups simply need more support to build their capacity and go to the next level.

Foundations need to get into communities to see what is happening. We see it every day as we provide housing counseling, provide women- and minority-owned businesses with training and technical assistance, and hear from our members and board leadership who are working to build access to capital, credit and basic banking services in the field.

Finally, community leaders welcome the foundation community into the national and local conversations on how to address poverty and related matters. However, they should not lead that conversation but rather participate in it as they engage local leaders. Unfortunately, the trend in many foundations is to dictate what is needed in low- and middle-income communities as they hold a checkbook above the heads of those who have more experience and real answers to our nation's challenges. ■