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A More Modern CRA for Consumers

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Revisiting the CRA Policy Discussion

Federal Reserve

February 24, 2009, Washington, DC

Consumer Needs

- Credit
 - Access can no longer be taken for granted
 - Quality matters
 - Not just mortgages
- Transaction services
- Savings and investment
- Insurance



The New Paradigm?

Any financial institution that provides an essential consumer product must make that product available in a fair and transparent manner to low- and moderate-income consumers in all communities in all broad geographies in which the entity does more than an incidental amount of business in the product.



Fairness and Transparency Defined

- Fairness
 - Meet needs, with research to accurately assess
 - Equitable prices and terms
 - No less favorable investment criteria
- Transparency
 - Timely and accurate disclosures, including risk
 - Timely, accurate, complete, useable public data about services provided



Implementation Issues

- Who to cover?
 - Not just banks
 - Where are the biggest risks?
 - Where are the largest potential consumer benefits?
- How to enforce?
 - Periodic on-site exams for all probably not realistic
 - Data
 - Legal remedies





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