



ILLINOIS COMMUNITY REINVESTMENT ACT

RELATIONSHIP BUILDING TOOLKIT

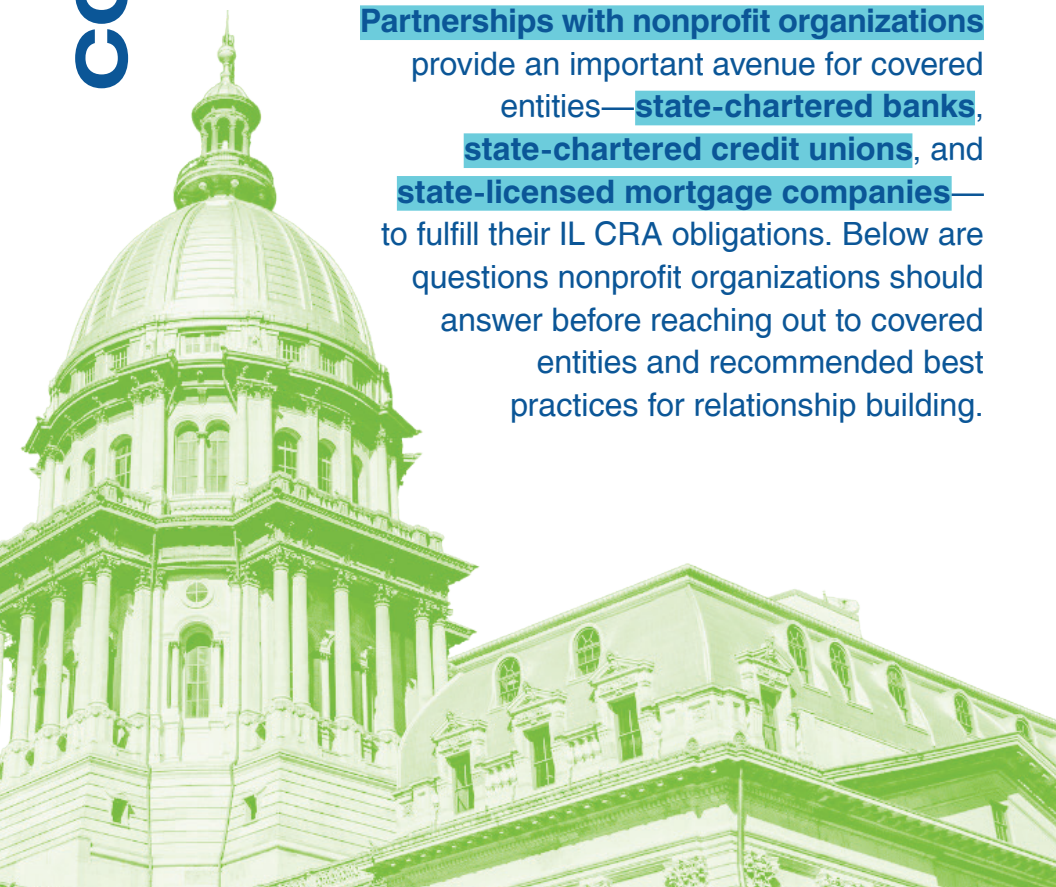


IL CRA
COALITION

CONSIDERATIONS FOR IL CRA ENGAGEMENT

The **Illinois Community Reinvestment Act (IL CRA)** is intended to incentivize state-regulated financial institutions to provide access to credit for low- and moderate-income communities and communities of color in an **equitable and comprehensive** manner. This includes, for example, providing financing for community and economic development activities, credit to help small businesses thrive, and access to sustainable and affordable housing and to responsible consumer credit.

Partnerships with nonprofit organizations provide an important avenue for covered entities—**state-chartered banks**, **state-chartered credit unions**, and **state-licensed mortgage companies**—to fulfill their IL CRA obligations. Below are questions nonprofit organizations should answer before reaching out to covered entities and recommended best practices for relationship building.



STEP 1: WHAT YOU'RE DOING MAY BE CRA ELIGIBLE ACTIVITIES

IL CRA eligible activities provide accessible and responsible financial products and services to the communities covered entities serve, with a **particular focus on increasing access to credit for low- and moderate-income (LMI)* communities and households.**

MEETING COMMUNITY NEEDS	DETERMINE CRA ELIGIBILITY	DATA AND OUTCOME TRACKING
What programs does your organization operate to meet needs in your community?	Is the support you are seeking CRA eligible?	What information do you track about individuals served and outcomes from your programs?
You can create a roadmap for potential CRA partnerships by preparing a summary of the needs your community is facing, the programs your organization currently operates, and planned programs that would meet unmet community needs. Scan the QR code on the back page to find a digital version of this pamphlet with hyperlinks to resources.	Activities with a primary purpose of community development can be CRA eligible. These fall under four areas: affordable housing, economic development & small business, stabilizing and revitalizing LMI communities, or social services for LMI individuals and communities. RESOURCES: • <u>IDFPR Examples of Community Development</u> • <u>OCC Illustrative List of Qualifying Activities</u>	Covered entities need to document the impact their activity is having in the community as part of the IL CRA exam process. Showing who you serve and the impact of your work in your community makes the case that your programs are CRA eligible and facilitates discussion around potential partnerships, particularly when your clients and community are LMI.

**Under the federal and IL CRA, individuals and households qualify as LMI if their income is below 80% of the Area Median Income.*

STEP 2: IDENTIFYING POTENTIAL PARTNERS

State-chartered banks have previously been subject to the federal CRA and likely will have established staff and processes for engaging in CRA partnerships, offering an opportunity to strengthen existing partnerships and establish new ones. State-chartered credit unions and state-licensed mortgage companies are newly covered entities, providing an opportunity to create new connections and partnerships built around CRA qualifying activity.

You can search for covered entities through the [IDFPR Division of Banking License Lookup](#) (for banks and mortgage companies) or the [Division of Financial Institutions Credit Union Search](#) (for credit unions) and explore the current lending activity of financial institutions in your area through Woodstock Institute's [Community Lending Data Portal](#).

INSTITUTIONAL SERVICE AREA	INSTITUTIONAL FOCUS
Is the covered entity's activity assessed in your area?	Is there alignment between your mission and the covered entity's focus?
Covered entities are assessed based on their performance within designated Assessment Areas (AAs). These AAs are listed in their public CRA evaluations, posted by IDFPR, and their public CRA file, which can be requested directly from the covered entity. ASSESSMENT AREAS: • Banks: Geographies where they have a physical presence and the surrounding areas where they do business; • Credit unions: Individuals or geographic areas that make up their current and eligible members; • Mortgage companies: The entire state of Illinois RESOURCES: • IDFPR CRA Webpage • Division of Banking License Lookup • Division of Financial Institutions Credit Union Search • Community Lending Data Portal	Covered entities will have specific populations and areas they serve as well as set lines of business. The expertise and product offerings of the covered entity will impact their strategy for CRA engagement, and alignment with your organization's mission will improve the chances of forming a partnership. These areas of alignment offer important opportunities for increasing the covered entities engagement with LMI individuals and households. For example, some entities specialize in certain kinds of loan products, like mortgages, small business financing, or consumer loans. Mortgage companies exclusively offer mortgages, while credit unions are often more active in consumer lending or mortgage lending. Some banks might specialize in serving small businesses while others might focus on mortgages. Exploring a covered entity's website can help you get a better understanding of their business focus and potential areas of alignment with your organization's work.

STEP 3: APPROACHING POTENTIAL PARTNERS

CONTACT PERSON	YOUR NEED	THEIR NEED
Who should you contact at the covered entity?	What type and level of support are you seeking?	What are the covered entity's CRA goals?
When reaching out to covered entities, ask for their CRA Officer or Community Development Manager. You may be able to find their CRA or community development team through their website.	Approaching covered entities with your organization's and community's specific needs facilitates discussions around partnerships. Types of support for your organization or the clients you serve can include: • Investments (e.g. participation in a loan pool), • Loans (e.g. providing a line of credit), • Grants*, • Technical Assistance, or • Service hours <i>*Some covered entities may have charitable foundations</i>	Understanding the covered entity's CRA strategy and goals, and the needs of their customers, can open avenues for further discussion and additional areas for partnership.

Your organization and covered entities are both interested in forming partnerships for the long term. Even if an initial conversation does not immediately lead to funding or collaboration, reaching out helps covered entities learn about your organization's mission and better understand the needs of the communities you serve. Building these relationships over time can open the door to future opportunities, and the Illinois CRA provides an ongoing framework to support these connections. Consistent engagement ensures your organization remains visible and well-positioned as partnerships evolve.

STEP 4: BE PERSISTENT!

