

# IL CRA

ILLINOIS COMMUNITY REINVESTMENT ACT

# IN ACTION



**PUSHING FOR EQUITABLE  
INVESTMENT IN OUR COMMUNITIES**

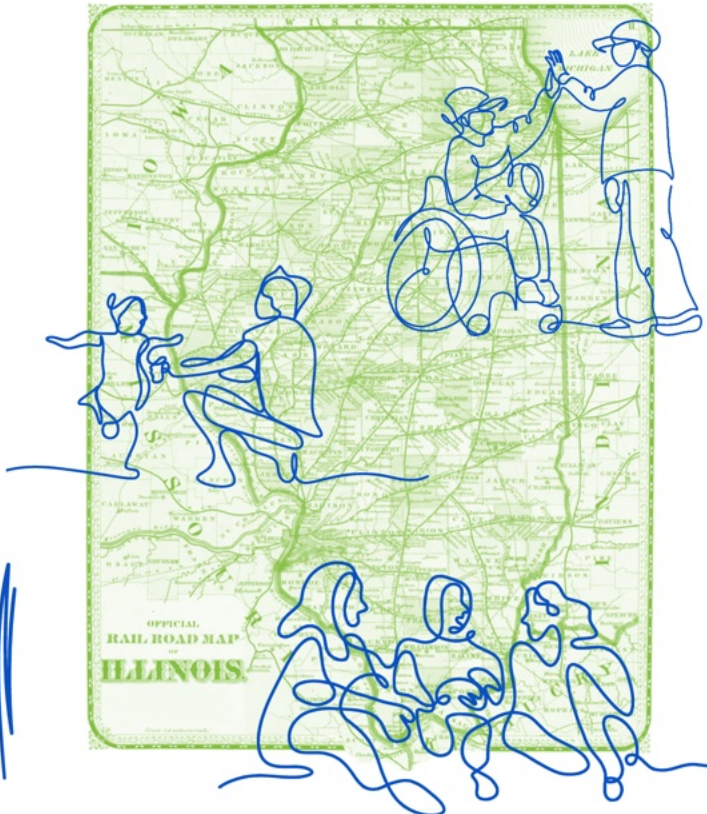


# WE NEED FINANCIAL INSTITUTIONS TO INVEST IN ALL OUR COMMUNITIES

The **Federal Community Reinvestment Act & Illinois Community Reinvestment Act** create a set of guidelines and lay out requirements for how banks and other financial institutions invest and conduct business in our communities.

This makes them key tools for addressing the racial wealth gap and making sure all our communities can thrive.

**THIS IS ESPECIALLY IMPORTANT FOR HISTORICALLY REDLINED NEIGHBORHOODS, WHERE INEQUITIES PERSIST TODAY.**

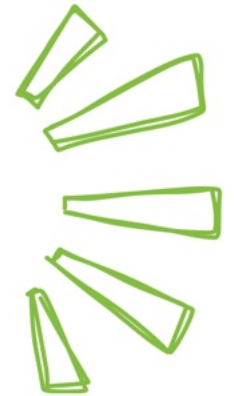


# THE IL CRA BUILDS ON THE FEDERAL CRA—

—which makes wealth-building more accessible for low- and moderate-income communities by outlining how banks should invest in:



- **Basic banking and lending services**
- **Homeownership** opportunities
- Development of **affordable housing**
- Capital for **small businesses**
- **Community services**, such as child care, education, or health services



## Anti-redlining bills become law



LEFT *The Journal*, 1975  
 ABOVE: Midwest community groups joined National People's Action to advocate for federal oversight of banks, 1970s



# A HISTORIC VICTORY FOR LOW-INCOME ILLINOISANS

National People's Action Conference, 1978

Signed into law in 2021, the IL CRA complements the federal CRA by providing oversight for state-regulated financial institutions. The broader coverage of the IL CRA—oversight for credit unions and mortgage companies as well as banks—is key.

PASSING THIS STATE LAW WAS THE FOUNDING GOAL OF THE IL CRA COALITION, CO-FACILITATED BY HOUSING ACTION ILLINOIS AND THE WOODSTOCK INSTITUTE, WHICH INCLUDES NEARLY 50 MEMBER ORGANIZATIONS. LEARN MORE AND GET INVOLVED: [ILCRACOALITION.ORG](http://ILCRACOALITION.ORG)

# RACIAL EQUITY LENS

Now, we need to make sure the state law has strong implementation and that people know about it.

And we need to make sure that it is used for racial equity—something federal regulators did not address in the new rules issued for the federal CRA in the fall of 2023.

The IL CRA Coalition successfully advocated for a 2024 state law that requires research to:

- Identify disparities experienced by protected classes under the Illinois Human Rights Act when accessing financial products and services
- Identify policies and procedures that have or may have disparate impacts or discriminatory effects

After a rulemaking process, we expect that the results from this study will be used as part of the IL CRA exams to assess how well financial institutions are serving those that currently benefit least from our financial system.

This is critical to ensure the IL CRA can fulfill its purpose of being a tool for economic justice and racial equity.



Residential Security Map of Springfield, IL by Home Owners' Loan Corporation, 1937. Courtesy of Mapping Inequality.



# BUILDING A FAIR, INCLUSIVE SYSTEM OF LENDING & CREDIT ACCESS

Like the federal CRA, under the IL CRA, regulators evaluate and grade financial institutions on community services and investments.



LOCAL BUSINESSES



HOMEOWNERSHIP



COMMUNITY ENGAGEMENT



AFFORDABLE HOMES

Institutions get credit for supporting...

- Down payment assistance programs
- Home mortgage loans for low-income households
- Low Income Housing Tax Credit deals to build more affordable housing, including permanent supportive housing
- Affordable rental housing development
- Loans to small businesses, including those certified as Minority and Women-Owned
- Branch locations where community members can get in-person services
- Grants to help meet a community's financial services needs, including to housing counseling agencies
- Investments with Community Development Financial Institutions (CDFIs)
- Development of Special Purpose Credit Programs (SPCPs)

...and much more. Learn about qualifying activities at [ilcracoalition.org](http://ilcracoalition.org).

## INVESTING IN WHAT MATTERS





# WHAT YOU CAN DO

## IF YOU WORK FOR A COMMUNITY-BASED ORGANIZATION

- **Get informed:** Visit Woodstock Institute's Community Lending Data Portal, which has statewide information, and find out who is lending and investing in your area (more on page 9): [woodstockinst.org/data-portal](http://woodstockinst.org/data-portal)
- **Build partnerships:** Reach out to your local financial institutions and talk to them about community lending partnerships and agreements. Develop programs that target specific funding goals to meet the particular needs of your community.
- **Guide your community:** Recommend that your clients work with lenders who have a good record of investing locally.
- **Hold institutions accountable:** Identify banking deserts. If you know there is a bank right down the street, but you never see them giving a loan to your clients or hear about them lending or investing in your community, check their record on the lending data portal. Approach them and/or report them to IDFP: [idfpr.illinois.gov/admin/complaints](http://idfpr.illinois.gov/admin/complaints)

## IF YOU ARE AN INDIVIDUAL COMMUNITY MEMBER

- **Use traditional banking options that have bricks and mortar locations in your community.** Avoid high-cost, short-term loans, such as payday, auto title, and pawn loans. Learn about assistance programs and alternatives to high-cost loans at [WeProsperIL.org](http://WeProsperIL.org).
- **Report discriminatory lending:** If you experience discrimination during the lending process, report it to state agencies:
  - IDFP: [idfpr.illinois.gov/admin/complaints](http://idfpr.illinois.gov/admin/complaints)
  - IDHR: [dhr.illinois.gov/filing-a-charge.html](http://dhr.illinois.gov/filing-a-charge.html)
- **Organize your community:** If you live in a banking desert or want to revitalize your community, create a coalition of neighbors and reach out to financial institutions serving your area about partnerships.
- **Get involved:** Connect with local housing organizations, volunteer your time, and share what you have learned about the CRA.



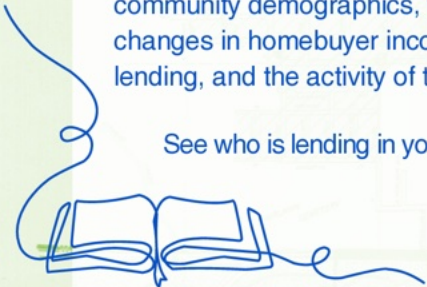
- A - FIRST GRADE
- B - SECOND GRADE
- C - THIRD GRADE
- D - FOURTH GRADE
- SPARSELY SETTLED (Other Industry Sites)
- IND

# EQUIP YOURSELF: GET DATA ON LENDING IN YOUR AREA

Woodstock Institute's Community Lending Data Portal shares statewide data on mortgage lending, community demographics, foreclosure trends, changes in homebuyer income levels, business lending, and the activity of top lenders in Illinois.



See who is lending in your community and who could be doing more:  
[woodstockinst.org/data-portal](http://woodstockinst.org/data-portal)



## WHERE ARE DOLLARS COMING FROM IN YOUR COMMUNITY?

## WHERE AREN'T THEY COMING FROM?

### HOW YOU CAN USE THIS DATA

- **Community-Based Organizations:** Share data while working with lenders to develop community lending partnerships and agreements. Lenders can create programs with target dollar amounts to meet the credit needs of your community.
- **Individuals:** Research financial institutions before giving your business.
- **Real Estate Agents:** Identify lenders with a good record in specific communities while giving advice to homebuyers on mortgage lenders.
- **Lenders:** Analyze data to inform your marketing, hiring, and lending programs. Expand and increase your community reinvestment activities.
- **State and Local Government Officials:** Encourage reinvestment and tighten regulatory controls. Better understand how your constituents access financial services.



# WHAT CHANGES DO YOU WANT TO SEE IN YOUR COMMUNITY?

# WHAT DOES EQUITABLE INVESTMENT LOOK LIKE?



# IL CRA COALITION

The Illinois CRA Coalition is a group of organizations dedicated to protecting and strengthening the federal and the Illinois Community Reinvestment Acts as tools for building more equitable communities and addressing the racial wealth gap.

CREATED IN 2024

by Housing Action Illinois,  
co-leader of the IL CRA Coalition.  
Learn more: [www.ilcracoalition.org](http://www.ilcracoalition.org)

