



The Community Reinvestment Act (CRA) is a vital funding source for our program, our homeowners, and for affordable housing nationwide. But, what is it? More importantly, if you already own your home, why should you care about current proposed changes to this program? Passed in 1977 the CRA sought to encourage banks to meet the needs of borrowers in all segments of their communities, including low- and moderate-income neighborhoods. As a result of the CRA, federal regulators evaluate the record of each financial institution that receives Federal Deposit Insurance Corporation (FDIC) insurance, and take this information into consideration when approving applications for new bank branches or for mergers or acquisitions

CRA activities include providing lending products to low- and moderate-income households and supporting organizations and initiatives that serve that population, with a strong emphasis on providing affordable housing. Funding that SCCLT receives from area banks allows us to acquire and rehab homes that are then sold to low- and moderate-income individuals and families.

The CRA has undergone many changes since its inception 42 years ago, and this current era is no different. The Office of the Comptroller of the Currency announced in August, 2018 that it was looking to “modernize” the CRA. No one knows yet what changes regulators will make to the CRA this time around. Regulators are currently reviewing public comments submitted at the end of last year, and a proposed ruling could be announced by the end of this year. In recognition of the CRA, we wanted to highlight some of the terrific work accomplished through the CRA right here in the Centre Region, and to hear directly from local banks about ways they invest in our community.

**H. Barton "Buddy" Hann, Senior Vice President, Reliance Bank**



“At Reliance Bank, we believe every community should have access to safe and affordable housing. Throughout our nearly eighty years as an independent, community-focused financial institution, we have been committed to helping first-time home buyer families achieve their goal of homeownership. By partnering with the SCCLT - as well as other local, state and federal agencies providing down payment and closing cost assistance - we are able to assist families in obtaining resources to help them overcome the financial barriers involved with the first-time home buying process.”

# WHAT IS IT?



## **Jill Morrissey, Compliance Officer Penns Woods Bancorp/Jersey Shore State Bank**

“JSSB has a long-standing dedication to Community Reinvestment Act (CRA) outreach and has a particular interest in affordable housing. The bank helps many CRA-qualified borrowers of all income levels become homeowners, often through the SCCLT. Carrie Campbell is a lender in the JSSB State College branch and works closely with the SCCLT to advise them and the borrowers on the lending process. Carrie has been recognized as a Top Originator of PHFA mortgages. PHFA provides the mortgages for safe, decent, and affordable homes for people of low-to-moderate income and those with special housing needs with minimal down payment.



The bank is affiliated with many local, state, and federal agencies to give borrowers the best lending experience possible. For example, JSSB is #1 ranked in the state for the PHFA HOMEstead loans, which is a program that helps CRA-qualified (income-limit) borrowers with a no-interest, second mortgage loan between \$1,000 and \$10,000 as down payment and closing cost assistance. HOMEstead loans are forgiven at 20% per year over five years, which further helps the borrowers with their dream of homeownership. JSSB is proud to be part of these programs and their CRA goals.”

## **Rob Sunday, VP/Compliance Officer, Kish Bank**

“We are proud to call Central Pennsylvania home, and we have a vested interest in meeting the needs of the community, including affordable housing. We take leadership roles in the many organizations that focus on the housing needs of the community, such as Habitat for Humanity, Huntingdon Housing Authority, Blueprint Communities, and the Builders Association of Central PA. Although we have access to larger programs for affordable housing such as Pennsylvania Housing Finance Agency (PHFA), Federal Home Loan Bank of Pittsburgh’s first front door program and rural housing, these programs leave additional areas of opportunity for affordable housing. Our engagement in the community provides a local community perspective that is personal for Kish Bank by creating opportunities that are uniquely flexible and can be tailored to address individual needs for housing.”

