

2017-2018 ConnectHome - Community Reinvestment Act, 9-26-17

Dina Lehmann-Kim: Thank you. This is Dina Lehmann-Kim from HUD in Washington, D.C. I am the community coordinator for ConnectHome. I'd like to welcome everybody today to this webinar. We're very, very excited and privileged to be able to host it with two very distinguished presenters.

We have first on deck, Jordana Barton who is the senior advisor at the Federal Reserve Bank of Dallas and she is the author of a very useful guide that I encourage all of you to read, closing the digital divide framework for meeting CRA obligations. She's done a lot of innovative work in this area and we're very lucky to have her speak to us today.

We also have Yolanda Davila from the -- who is the Texas community relations executive with BBVA Compass in Texas. She works supported by a field team of community relations officers who are charged with managing CRA performance and other aspects of the CRA. And we're very excited to have her as well.

And from a -- on a personal note, I'm very excited to be able to dive deeper into this topic. I think it's something that all of our ConnectHome sites, both the pilots and the new communities that have joined as part of the expansion, should really learn more about.

It's an important tool that can be used to support your work in digital inclusion and can help you with sustainability of your program. So with that, I will turn it over now to Jordana who will then later turn it over to Yolanda. Thank you, ladies and you're up. Thanks.

Jordana Barton: Thank you so much, Deena and Christina. I am so happy to be with all of you. I was at the ConnectHome announcements a couple of years ago and I got to meet with some of the new Texas and border representatives last week. So I'm very excited to be talking to all of you across the country today.

And with that, we're going to try to move the slide forward. So the Community Reinvestment Act, just that a lot of you have maybe worked with financial institutions in writing grants or perhaps from being a housing development, multifamily or single-family housing development.

And so we're going to be talking about the Community Reinvestment Act today and how it was updated recently. The 2016 Q&As is how we updated the interagency group, the FDIC, the Federal Reserve and the Office of the Controller of the Currency, the OCC.

And it's a law that encourages banks to make loans and investments and provide services to low and moderate-income communities. So the key words there are low and moderate-income communities and it was all about addressing what, in the '70s, was happening to neighborhoods.

They were literally being redlined, because they were low and moderate income and they did not have access to bank lending and financial services. So that's how the law came about.

And basically, banks are regulated by the three agencies and they're what we look at under the Community Reinvestment Act is they're lending their service and their investment in the communities where they have branches. And lending is about loans and equity investments and service is about do they have a branch in a low-income community?

Are they spaced correctly to reach people in low and moderate-income neighborhoods? And their service as far as volunteerism and teaching financial literacy and so forth. And then the investment test as well, right, and that it does include some equity investments and their loans.

I mean, some of the grants also that are basically no interest contributions to loan funds and instruments like that. The Community Reinvestment Act is really meant to be responsive to the community. So that's why the 2016 Q&As are so important and it's a very significant contribution. You can see \$100 billion in capital to LMI communities across the country.

And if we could advance. So the new Q&As that updated the CRA broadband was included as a form of infrastructure investment and as -- and we said that it is an essential community service. So to kind of support the agencies that had already recognized that, it's just like water and electricity and other basic infrastructure broadband is needed in communities in the same way.

So we stated that in the Q&As and also the publication that we mentioned that is kind of the how-to guide for implementing and working with financial institutions to implement the new Q&As. And another very important one that I want you to think about -- a Q&A that I want you to think about is that under the CRA service test, banks now --

If they can show evidence that they're reaching people through mobile and online banking, that's the alternative delivery systems, right, or financial technology apps and so forth, they -- if they can show that they're having an impact, that people are actually using it in low and moderate-income people, in particular, that will count toward the service test.

And so we're actually looking for innovation in this area. And very important for people working in digital inclusion to know, too, that workforce development has been part of CRA for a long time.

And so when I give evidence of how important digital skills are for digital inclusion programs and for people in workforce development, it's just to say that it's already a part of CRA just to be thinking about how you're going to make your digital inclusion programs part of your -- maybe you already have a workforce development program and this work under ConnectHome fits right in with that and that you're really meeting the needs of the marketplace and all the changes we've seen in jobs and requirements for positions and for even accessing positions. And we'll talk about that in just a little bit.

And then of course, for small business development, small business is a very important part of CRA for businesses under CRA's -- under a million in annual revenues and they're already a part of it, but we added an example of supporting small business by supporting trainings for using technology since we're -- it's an understanding that this is so critical for businesses as they move forward in the new economy.

And we can forward. So basically, the Q&As are -- and what we're talking about in the how-to publication is that basically, the broadband and digital inclusion impacts everything in community development and the things that are already a part of CRA. So how you integrate it is going to be very important.

Workforce development, access to financial services and the ways we've talked about small business and affordable housing. So the new rule by HUD from last year about including -- for developers to include broadband infrastructure when they're developing new housing is very important.

And then the methods that we have, like ConnectHome, of reaching people in their homes, in their public housing units so that we can -- because we talk about, in the publications, the limitations if you don't have access at home -- in the home.

And some of you are trying to provide people connection in your learning centers, but you're also moving a step further and including access in their home -- in the individual units and then of course, access to healthcare. We can advance now.

And when you're thinking about your workforce development programs and how to include your digital inclusion programs with ConnectHome, what we want you to think about is the scaffolding that kind of needs to happen; right?

So a lot of you are starting with basic digital literacy, which is fantastic, because once you have the connection, right, and you're going to be working on the infrastructure part of it in multiple ways, which we'll talk about, but then you have to have digital literacy for people to even be able to access the economy.

And then as you go up the hierarchy here, as you get more and more skills, like we're seeing in some ConnectHome sites, like San Antonio where the basic digital skills that people are getting in the public housing authority sites are then used to get a certification with CODA [ph] or with Rackspace, CloudAcademy.

And so it's preparing people to quality for those certification programs as well. And so those partnerships that ConnectHome has with the community -- that the San Antonio Housing Authority, for example, has with the community are very important.

And then as you go up the ladder, and develop skills in cyber security, and coding, and computer programming, and software engineering, and all of that, you get to participate even in a higher level in the economy, and perhaps an increased income, and security. So we can move on.

So just so you know the -- we're not going to go read each section of the publication, but in workforce development -- and this is really -- as you're making the case to a financial institution, for example, you're applying for a grant, you've established a relationship, they know what you're trying to do to close the digital divide for people in your housing authority sites.

You can use this evidence, right, from the workforce development section, for example, which really reveals how you can't even access jobs. Most jobs are posted online. Eight in 10 middle skills jobs require digital skills. That's 32 percent of labor market demand. Most jobs now, and the growing ones, require digital skills.

And the middle skills jobs are those -- we call them opportunity occupations; right? Those jobs that don't -- where you don't need a college degree, but they offer a living wage of \$15 an hour and ability to move up.

We're seeing a lot right now with the decline in manufacturing in this country because of automation and other factors that we're losing those manufacturing jobs where people used to be able to go from high school to a factory and then they could build a pretty good middle-class life. Well, we're losing all those jobs.

That's why the digital skills are going to be so important for opening up opportunity for the residents of housing authorities. Digitally-intensive middle skills jobs have grown at a much faster pace and offer higher wages and right now, like I discussed, we're having a mismatch right now.

So hopefully your workforce development digital inclusion training programs will try to meet people where they're at, build their skills and then offer opportunities for even more advanced skills as they move up. And we can proceed. We talk about the homework gap.

You all are probably very familiar with it where one-third of households with lower income below \$50,000 with school-aged children don't have high-speed Internet access at home, 40 percent of all families with school-aged children in the United States only 8 percent of households with incomes of \$50,000 or more lack broadband.

So definitely, in the publication, you can -- if you need the evidence, but I think you all also have a playbook and you really probably have seen the evidence about the correlation between income and access to broadband and digital inclusion.

So all of that is great evidence for when you're writing your -- when you're making your case to financial institutions, because that's what they're looking for. And it's very clear with housing authorities that you have an advantage, because you are serving low and moderate income already, according to HUD's definition and that's what they're looking for.

But here, if you want -- if you're doing some programming to especially target the homework gap and make a difference for kids in that area, you can provide some of the evidence provided. These are two of the points. You can proceed.

Likewise, if you're partnering -- if you're wanting to partner with a financial institution, and I talked about how we're asking them to be innovative, right, in meeting low and moderate-income people's needs for access to financial services, one way they can be innovative is by partnering with you, because you have a captured audience that needs the information; right?

And it could be part of your workforce development program. When I was a community development banker, a lot of what I was doing for workforce development agencies was financial literacy, because they were -- they -- people have a need and a desire. They were going into the workforce. They had a need to understand how to manage their finances; right?

They had a paycheck that they were expecting or that was coming in right now, and they had a need for those -- for how to build security, and operate their bank account, and create a savings plan. So we kind of scaffolded or layered resources in that area. But basically, in the publication, I document how much has changed in banking and how everything is moving digital.

A number of intensity of banking offices declined during the post-Great Recession period. People are using online and mobile, especially millennials. And we can move forward a little bit. Next slide.

Dina Lehmann-Kim: I advanced to slide 10, access to financial services.

Jordana Barton: Okay. Now I see it. And so there's a real opportunity for you to help financial institutions with innovation because of all these changes, because what we're seeing is a lot of advancements in technology, right, and fin. tech. -- financial technology, but we're not seeing the advancements or the innovations in reaching low and moderate-income people.

So great partners for banks to be -- you know, are definitely housing authorities where you're reaching the very people that they're wanting to reach, right, with their services. And Yolanda's going to talk a little bit more about that. You can advance.

And I think all of you know from your playbook what we're -- what I was trying to talk to banks about with the three legs of the stool that they could invest in and that they would be doing better, and we could advance even one more slide, if they invest in the infrastructure itself, depending on what the community needs.

And so let's talk about that just a little bit. And I'm going to be closing out my remarks in just a little bit. The -- they can invest in the infrastructure.

Even some banks are wanting to -- sometimes there's enough broadband infrastructure for a WiFi device and that will reach the homes, because we're having so many advancements in WiFi, but of course, it does depend on broadband infrastructure close enough so that it can be at the proper speeds.

But just know that banks can and are interested in investing in that area and they can also -- we're going to talk a little bit about a project we're working on where banks are investing in the infrastructure itself and I gave some examples in the publication as well.

But banks can do that and then they'll be considered even more responsive and innovative if they also work on supporting your computer access programs. If you're partnering with a university and they contribute to that university's deploying into your program refurbished computers and helping you all with the training.

Or like in San Antonio Housing Authority, it's their -- the partnership with Goodwill where Goodwill is providing the computers. A bank can support that part of the program. They can also support, as we've talked about, your digital inclusion training program.

So that layering, that -- giving them the opportunity to layer the kinds of investments they make, either grants or in some cases, it might be loans.

If you have to expand the broadband infrastructure, different communities are experiencing different things and have different needs, depending on whether they have enough infrastructure close enough to their site to use WiFi or whether they're interested in fiber to the home. All of that we can discuss in the Q&A as well. You can advance.

And I think we can advance again. I just want you to know that a lot of the best practices in digital inclusion are included in the publication. Please do look for that. It'll help you with your grant writing and we're in the process of training banks across the country to know what to look for, right, when they're partnering with communities.

So the fact that you have this information is going to be a great advantage in writing your grants or preparing your case. And we can go forward. Those are -- just know that within the publication, if -- you're going to see what -- how we're helping banks prepare their case, right, for making these investments to the regulators.

So that helps you, because you kind of know what they're looking for when they're looking for an investment. And we can advance again. And we also provide templates. So I'm going to turn it over to Yolanda Davila from BBVA Compass and I'll join you at the end for Q&A.

Yolanda Davila: Great. Thank you so much, Jordana. Good afternoon, everyone. Thank you for joining us. You know, Jordana said a lot about the CRA portion of it. That's very technical. So now, what is it that housing authorities can do to take advantage of financial institutions who are wanting to help and bridge that digital divide.

You know, we're going to help you identify those opportunities and I'm also going to speak to what is currently out there and what different banks are doing.

What we have found at the bank is that we are -- there was a bank study and our commitment to digital and financial inclusion was further solidified when our economists published exhaustive research in 2015 that found that Internet access is now a dominant factor in financial inclusion and it overtakes other variables, such as race or education.

So you can imagine how important that is, because race and education are pretty important factors. But now, actually, Internet access is determining whether someone participates in the traditional banking system. That banking study developed a financial inclusion metropolitan index to gauge the financial inclusion level then more than 250 cities.

And just like this slide here shows, you can see how concentrated it is in the border area and really, the south of the country. So this is really, really important to us. And when we saw that, we found that the McAllen area, McAllen, Tx, of which Pharr is part of, Pharr, Tx, it was ranked last.

So the border region of the United States really is the disproportionately at a disadvantage to Internet access. Since the economists at BBVA Compass published a study, we've really moved into action. And one of the first initiatives that we've been a part of is the digital opportunity for the Rio Grande Valley.

It's a community-led initiative and it's something that includes lots of players. It's the first comprehensive approach to closing the digital divide on the border and it provides a blueprint for bringing together all of the resources across the Rio Grande Valley and it replaces the current patchwork system that leaves too many people behind.

We have lots of people involved in it from independent school districts to government, municipalities, there is the colleges, there are financial institutions and the universities. There are several partners involved making this happen. And so also, a part of it is a digital inclusion program at PSJA for parents and students.

So like Jordana mentioned, there is three parts to the stool. You can have -- you're going to need the device, whether it's a computer or a mobile phone, you're going to need the actual infrastructure and then lastly, if you have those two, but don't have the education or the understanding on how to use the computer, then those two other items don't really help you.

So it really -- they're all interrelated and that's what makes that three-legged stool. We now are including -- so there's two new ConnectHome partners as of 2017 and that is Brownsville Housing Authority and the Edinburg Housing Authority and they are now part of the deal for RGV and that's along the border region for those of you who are not in Texas.

So we're excited to have them as a part of this. The project goals, as you see here, is to improve opportunities and results for K-12 students. And not only the students, we want to go beyond that and reach their family. We want to be able to create this framework of digital inclusion for all and starting that early with elementary kids and having their parents involved as well.

We want to be able to improve access to workforce opportunities and job training and other such things that help people become financially sustainable. And we'll be able to do this by providing Internet access, because people are more able to apply for jobs, they're able to search for jobs more easily than having to drive around and call different places.

And then of course, there is the Telehealth/Telemedicine benefits of improving access to healthcare. People are able to order their prescriptions online. And so it really facilitates things for a whole lot of people. Other things is improving access to the Internet and online marketing for entrepreneurs.

So we have -- we know that the economic engine of communities are small businesses. And so these entrepreneurs are able to have a farther reach by being able to market and also, attract new business.

Improving access to financial services and online banking, I'll go into that a little more when I speak to the financial inclusion and Internet mobile project that we launched at BBVA Compass. And we also have a center for financial education, which is our financial literacy program and it includes either --

You know, you can do it through high technology on your phone, we can do it one-on-one in person as a regular workshop. And then we're really trying to develop a model that we can replicate for expansion across the entire border region. So as I mentioned earlier, we did -- the economists at BBVA Compass did find that study --

You know, we studied the impact of Internet access [inaudible] and under banks, low-income consumers. We found that providing them Internet access had the potential to increase the number of individuals who were now banked by 10 percent.

So that's pretty sizeable in that if you just give someone Internet access, the likelihood of them being part of the financial mainstream is increased by 10 percent. And an FDIC study from 2013 showed that 50 percent of unbanked households do not have Internet access. And so you can see why that is so important.

So we, again, sprung into action not only by being the first financial institution to support with our investment, the deal for RGV initiative, but then we also independently launched our own financial inclusion pilot.

What that included -- you know, the objective of that was to make an impact on the financial inclusion of underserved consumers by introducing sustainable Internet access through an affordable prepaid smartphone plan, because that's what we were wanting to do. You know, the goals of this was to reach underserved consumers in our community.

And again, we really have a high focus along the border region, because we are the bank across the U.S. with the most branches along the border region from California to Texas.

And so this market is especially important to us for many reasons, but also, for that, because of our huge presence here and we certainly have a responsibility to our customers in the community we serve.

So more of the -- on the goals of the financial inclusion and Internet access project, we wanted to provide a [inaudible] to a sustainable smartphone data plan to promote financial inclusion through our innovative banking product, which is our BBVA Compass ClearSpend prepaid visa card and you see it here.

And then we also wanted to deliver financial literacy to target an audience with an emphasis on using banking technology to manage spending and start saving. So again, that third stool -- sorry,

that third leg of that stool of that financial literacy that you must have in order to make all of this effective.

You see the screenshot of the phone, very interesting, because it has this budgeting app and after 30 days of making purchases, it categorizes everything into what you're spending on. You know, are you dining out, are you -- is it entertainment, is it groceries? So it really puts it very much in your face and you're able to see, maybe I should spend down a little on this.

And so it really helps you really control exactly what you're spending on. And not only that, it allows you to see what your balance is automatically right after you make a purchase. So you're constantly on top of how much you're spending and how much your balance is right after a purchase. It'll send you that message telling you you have \$533 left.

So again, it's top of mind. So the nonprofit partnership in the pilot were two affordable housing nonprofits and another one in California was a human services nonprofit. In Birmingham, it actually was the housing authority and in Austin, it was the affordable housing nonprofit that we have here.

In Riverside, it was the human services organization that we partnered with. And we chose these nonprofits for the reason that they are working with a population that we felt would be able to benefit the most from taking advantage of a free mobile phone and also, being able to have these financial education tools at their fingertips.

In addition to the prepaid smartphone and the prepaid Visa card, which clients themselves -- the participants in the pilot have to, obviously, preload the money in order to start using it. So there are no overdraft fees or anything like that. We also gave them advice and tools to build financial stability.

And we also provided them with our personal finance management workshop, which we created in partnership with EVERFI, which is a fin. tech. company that does a great job of putting together and crafting these financial education workshops, which are provided online or like I said, we can meet the client where they're at and do --

There's absolutely no technology involved. You know, sometimes in [inaudible], we don't have training rooms for the WiFi access. And so I can't just put up my laptop and project the workshop. And so in situations like that, we go back to the old paper workshop and we hand out guides.

So like I mentioned, the center for financial education and partnership with EVERFI, it's bilingual curriculum. It's homebuyer, personal finance and small business. Those are all the different topics that we have. Each one of them has a handful of modules within each one and there's three platforms for workshop three.

So you see here that it's no-tech, low-tech or high-tech. So low-tech -- no-tech means we're all going to sit together, I'm going to present from a paper guide and you're going to have your own workbook guide on paper.

Low-tech means I actually do have access to the Internet, I'm able to project the presentation and hold the workshop like that while the participants in the class actually have a paper guide. And then high-tech means it's a computer lab, everyone has access. So we're actually teaching participants while we're guiding them on how to use a computer.

So those are the different platforms and that's another one of the ways that banks and in specific, BBVA Compass, can help be a part of this digital inclusion and bridge that digital divide. So it is one of those best practices that we've undertaken in addition to, again, being a part of the [inaudible] RGV, launching our own financial inclusion pilot.

And just really quickly, talking about the financial inclusion pilot not only is it preloaded with a budgeting app, which I mentioned, we also went the extra mile of working with our telecommunications company to make sure it was also preloaded with WiFi hotspots.

So we wanted participants to not only have the mobile app already ready to go and that phone preloaded ready to go, but we also wanted them, in case their data ran out, which is often the problem -- we wanted them to have accessible to them a map of where can I go if I need to access Internet.

And so it had McDonald's, Walmart, Starbucks, your typical places with free Internet access that people are able to go so they can always be on their mobile banking app. So we didn't want that to be prohibitive and we ensured and made an additional investment to make sure that was preloaded on their phone.

The phone, again, it was free for one month, came with all these things and after that, they would have to pay month-to-month to be able to continue with that. So the EVERFI curriculum, these are the different modules for -- we have -- BBVA Compass is in seven states across the U.S. from California to Florida.

And we are able to partner with any housing authority to provide this -- these workshops. You know, you may not know that, but banks actually want to go out and do this for you all. Like Jordana said, CRA really does -- was crafted in 1977 to encourage financial institutions to meet the credit and service needs of low to moderate-income individuals.

And so while not necessarily a requirement, it certainly is a requirement when you want to continue to exist as a financial institution in the U.S.

And so that's a way to tap your local bank and ask them for their CRA officer or their community development team and ask them how you can bring their volunteers to lead personal finance admin courses or small business courses or homebuyer courses.

Like I said, BBVA Compass and I am available to connect you to whoever it is in your state if you are located from California to Florida in one of our seven states where we have a presence. These are some of the screenshots for our EVERFI workshops and here it's your credit score and reports, talk to the importance of that and the components that go into credit score.

And then the last thing is setting savings for goals. Another screenshot where it allows registrants to register online. And that's it for me.

I'll let Jordana close it with this and then give you all some time for Q&A. But just wanted to give you all a sense of what it is that is happening on the ground and on practical terms, what does it mean for a housing authority to partner with a bank with regards to CRA efforts. Jordana, would you like to speak to the --

Jordana Barton: Yes. Thank you, Yolanda. So I just want to say, and many of you all may know this, but we showed the big map of the United States and who's left out, but when you zoom into any city, even if it looks green in general, right --

You zoom into any city it's as we're mapping different cities, like we mapped San Antonio and Dallas here at the 11th District of the Federal Reserve and my colleagues -- there's another publication, which I'm going to try to have sent to you all of the 4th District, which includes Ohio and a couple of other states where my colleagues mapped those areas.

It's very important for you to know that when you zoom into a city, that you can kind of show who's left out and certainly, the housing authority sites in San Antonio, for example, are located in those low-income areas that are left out of the digital divide. So just know that what we saw in San Antonio --

I'm based in San Antonio for the Federal Reserve Bank of Dallas. And so I get to work closely now with San Antonio ConnectHome and together we were able to bring this issue to the city. We were able to have a digital inclusion summit for the city and talk about the parts -- the leadership role that ConnectHome plays.

They bring a lot of -- you all bring a lot of knowledge to a city and we're -- we asked the city to make its digital inclusion plan as part of its economic development plan. And in fact, we're trying to ask that all over the country; right?

Because it's not just about having a technology plan, but it's actually including the people that are left out in your communities and that there is a way to do that, come together public/private partnerships.

You know, an example would be BBVA partnering with a housing authority, for example, right, to close some of these gaps in the three legs of the stool, including investing in the infrastructure and the other parts of this; right? So just know that the mapping tools, they're not diagnostic, but they're very important, because they help people see a big picture view of your city.

And I just wanted to mention that as well. And then I think -- you know, the reason it's so important to the Federal Reserve and the other agencies that regulate banks is because we're having huge gaps in income and wealth inequality in this country, the greatest since the Great Depression, because right now the top 3 percent account for 30.5 percent of all income and hold 54.4 percent of all net worth.

And then the Pew Research Center has also talked about that we have a median net worth of upper income families that's 70 times that of lower income families. That's the widest wealth gap we've seen in many, many years.

So in order to close that gap and rebuild our middle class, ConnectHome is a real important part of that for what they're doing with residents, for the comprehensive approach and the leadership role that you all begin to play or already are playing with your local communities and asking for a digital inclusion plan and partnering with Federal Reserve and other -- banks to bring the issue to the forefront.

So just know that this is an opportunity for financial institutions to innovate and really, it's part of their business model, because it's just good sense when you have everything going digital that you would work with your community to make sure all people can participate, then will create a strong, vibrant economy that offers a chance for upward mobility.

And in fact, hopefully prevents downward mobility, which we are going to see if we don't act in concert to change this. So we can take Q&As now and I think Deena and Christina will help us.

Dina Lehmann-Kim: Yes. Thank you so much, Jordana and Yolanda so much for your wonderful presentation. So Christina, help me out here, folks, if you have questions, you can put them in the Q&A box up on the right-hand side.

If you look up at the top of your screen, you'll see a little box with a question mark, you can click on there. And Christina, can they ask questions over the phone?

Christina Payamps-Smith: Yeah. If they raise their hand, the box with the hand in it on the right-hand side, I can also unmute their phone.

Dina Lehmann-Kim: So maybe while we're waiting for a question, I'll ask one. Can you -- either one of you explain what the regulators do to see whether or not a bank is meeting its CRA obligations?

Yolanda Davila: Sure. So this is Yolanda with the bank. Banks undergo CRA exams every few years. The CRA exams look at the different exam areas. So within the exam, we are tested for community development lending, for community development investments and then for community development services.

So that's our volunteerism. They compare us to our peers in the area and also, they measure us on how we are responding to community meetings and that really is the most important. What is -- because every market is going to have a different need. The border is going to have a different need than what is needed in a northwest part of the country.

And so because we are a bank located in the south, we are very much in-tuned with what our community needs are. We look -- the federal regulators spend time with nonprofits, with housing

authorities, with government agencies to see what the bank is doing to support and fill those gaps.

And so we do get graded on that and they will look to see has BBVA Compass been making investments in areas that are most important to the community. And given these new Q&As that came out last year, although I'm proud to say that BBVA Compass really was taking this into account before the revised Q&As came out, we were already taking this into account.

Now it really will count for those efforts. And so we will be able to show we are being responsive, we're partnering and this is important to us. Not only does it make good business sense, it's the right thing to do to really bring everyone into the financial mainstream to help build sustainable communities. So like I said, every few years there are exams that we undergo.

Dina Lehmann-Kim: Great. Thank you. Christina, do we have any questions?

Christina Payamps-Smith: I'm not seeing any questions.

Dina Lehmann-Kim: Jordana, did you have anything to add?

Jordana Barton: Well, I think that Yolanda summarized it very well. I would just say that one of the things that we try to work with nonprofits and certainly, housing authorities is to help banks understand their performance context. In other words, what is going on in their community, what are the greatest needs?

So you all play a role in that. The publication, the closing the digital divide publication, tries to give that evidence, right, of what's going on in communities.

You can also, in your local communities, use a lot of evidence provided by your regional Federal Reserve bank or other entities, right, to help make the case for what are the greatest needs in your community, because that's -- it's important for responsive; right? And leadership is that you're actually addressing the needs of the community is one of the reasons --

It's smart, but one of the reasons we're asking cities to make their digital inclusion plans and we want housing authorities to be part of that, because once it's in the economic development plan of a city, it makes it a little easier for banks to kind of understand what their role is, right, where -- how they can be a part of that puzzle, right, to solve the digital divide in their community. So that's all I should add I think.

Dina Lehmann-Kim: Great. Thanks. And I would just add -- this is Deena from HUD. The Community Development Block Grant program issued a new rule as well that is asking communities that received that funding to assess the needs for broadband access in low and moderate-income communities.

So that hasn't started yet, but it will, I think, starting this January the rule goes into effect. And so that would be a nice companion piece to what Jordana just said so you don't have to sort of

reinvent the wheel, just work with your community folks who are -- who do manage the CDBG money.

Jordana Barton: Mm-hmm. That's exactly right.

Dina Lehmann-Kim: It looks like there's a question for the speaker from the bank. So that's Yolanda. Can you provide me the contact in Stockton, California?

Yolanda Davila: Yeah. It would be Agnes Ubalde. That's Agnes.ubalde@bbva.com. So it's a first name, period, last name at BBVA.com.

Dina Lehmann-Kim: Great. Thank you. Any other questions?

Christina Payamps-Smith: We had one that came through the chat box and it says, I'm putting together a presentation to make the case for a mesh network [inaudible] broadband network in Rockford Housing. Should I be approaching banks in the area for buy-in? How can I get started with CDBG money and CRA money?

Jordana Barton: I think --

Yolanda Davila: Yeah. Go ahead, Jordana.

Jordana Barton: Well, for CRA money -- you're in Rockford? We -- you know, one of the things that we've been trying to do is -- and we've -- we're slowly rolling it out is you could, with your local regulator -- we just had an interagency CRA roundtable, for example, in San Antonio and ConnectHome presented with other regulators; right?

So it's a way to form the relationships with banks, because they come to the CRA training along with their other nonprofit partners. And in this case, ConnectHome was the example, right, of how you can do this. So they would be very interested to learn about the mesh network -- you know, the infrastructure piece of this.

Some banks are contributing through grants to networks to support the broadband expansion into the homes and some are -- it depends what the -- how big the project is; right? Sometimes it's an interim construction loan, sometimes -- so it depends on the extent of the infrastructure that's needed, but certainly, that one, helping banks to see, right, that every part of this --

And I have a diagram on Page 23 of the publication that shows the different types of broadband expansion.

And certainly, some public housing authorities are thinking about having their own -- like one way for a city to expand is for a public housing authority to have its own broadband network, right, so that all your sites are connected and that people have enough of the infrastructure to have the solution in their home.

So maybe a CRA roundtable we could talk -- you know, you could connect with me a little bit and we could see who your reserve bank is or the other regulators. So it's a great way to form relationships in this one meeting and then you do some follow-up things to continue to meet with the banks and share with them your plan.

Basically, the one example I'm giving you of San Antonio they showed their whole plan for the three legs of the stool for ConnectHome in the city and now are cultivating those relationships and finding the best fit for each bank that they're partnering with.

And a bank can also contribute to one part -- one leg of the stool or some of them are considering the three legs of the stool and using more of their resources, right, to come in. So I don't know if that answered well enough. And then you asked about CDBG. I think perhaps HUD can talk about how to work with CDBG funds.

Dina Lehmann-Kim: Yeah. I'm not an expert. This is Deena. There's a whole office that's devoted just to CDBG, but what I do know is that the funds are allocated on a formula basis locally and driven by local decisions. So they have to meet certain tests as well, but I think it's important to get to know who those people are, who help make those decisions.

I know a lot of times city council has a role to play. So I think it's important, as, I'm sorry, Jordana was saying, is to build the relationships. And I also would like to say that I think you -- at housing authorities, you help -- the banks meet their CRA obligations by having the population that they're trying to serve.

It helps them meet their CRA obligations. So that's something to keep in mind. And I know we're over time. So I would just like to thank everybody for joining. I'd like to thank our wonderful presenters, Jordana and Yolanda, for participating and taking time out of their busy schedules to prepare the presentations and be with us today.

And also, we will be making these slides available to you after the presentation with a link to go back to this and re-watch it or relisten to it if you would like. And feel free to share it widely. You know, we'd really like for other communities to know about this as well. So with that, thank you, again, and we look forward to being in touch. Bye.

Jordana Barton: Thank you.

(END)