

Date of Hearing: April 28, 2025

ASSEMBLY COMMITTEE ON BANKING AND FINANCE

Avelino Valencia, Chair

AB 801 (Bonta) – As Amended April 21, 2025

SUBJECT: Financial institutions: California Community Reinvestment Act

SUMMARY: Establishes the California Community Reinvestment Act.

Specifically, **this bill:**

- 1) Includes findings and declarations.
- 2) Defines the following terms:
 - a) “Commissioner” means the Commissioner of Financial Protection and Innovation.
 - b) “Covered financial institution” means all of the following that are subject to the licensing laws of this state:
 - i) A bank.
 - ii) A credit union.
 - iii) A residential mortgage lender that originates 200 or more loans in the two most recent consecutive years.
 - iv) A money transmitter that sells or issues stored value, as defined in Section 2003.
 - v) Any other financial institution as determined by the commissioner.
 - c) “Fund” means the Community Reinvestment Fund, as specified in subdivision (a) of Section 120028.
- 3) A covered financial institution must actively meet the financial needs of the communities it serves—including low- and moderate-income (LMI) and communities of color—while operating safely and, for credit unions, in line with their common bond.
- 4) A covered financial institution delivering most services digitally must help meet the financial needs of its assessment area—including underserved and LMI communities—while operating safely and, for credit unions, within their common bond.
- 5) By January 1, 2027, and every three years after, the commissioner and Civil Rights Department shall conduct a disparity study to (a) Identify areas in California with significant gaps in access to financial services and investments; and (b) examine financial practices that may have a discriminatory impact on underserved communities, including redlining and restrictive covenants. The commissioner shall make the findings of the disparity study available to the public.

- 6) By January 1, 2028, the commissioner shall adopt rules incorporating disparity study findings into the assessment process to promote wealth-building and wealth-stabilizing investments, loans, and financial services in communities that have historically suffered from discriminatory practices and unequal access to financial services.
- 7) By January 1, 2029, a covered financial institution shall conduct an initial assessment to determine the financial services needs of local communities, seek public input, and submit the findings to the commissioner. The covered financial institution and the commissioner shall make the documents available to the public for further comment on their respective internet websites.
- 8) The commissioner shall assess each covered financial institution at least every three years, publish an annual assessment schedule, and invite public comment.
- 9) To assist in conducting the assessments required by Section 120008, the commissioner shall adopt rules providing for consideration of the following factors, at a minimum, pertaining to whether covered financial institutions are meeting the financial services needs of local communities:
 - a) Activities to ascertain the financial services needs of the community, including communication with community members regarding the financial services provided.
 - b) Extent of marketing to make members of the community aware of the financial services and products offered.
 - c) The current distribution of the institution's branches among low-, moderate-, middle-, and upper-income geographies, and the institution's record of opening and closing branches, particularly branches located in rural or low- and moderate-income geographies and neighborhoods of color.
 - d) The number of mortgage loan applications received and the number and dollar amount of mortgage loans originated. For purposes of this subdivision, mortgage loans include, but are not limited to, home purchase, home refinancing, home improvement and rehabilitation loans, and other efforts to assist existing low-income and moderate-income residents to be able to remain in affordable housing in their neighborhoods.
 - e) The range of mortgage loan products offered, including, but not limited to, the offerings and origination of government-backed loans or loans featuring low downpayments or other features designed to facilitate lending to low- and moderate-income borrowers.
 - f) For small business and farm lenders, the origination of loans to businesses and farms with gross annual revenues of one million dollars (\$1,000,000) or less, particularly those in rural and low- and moderate-income neighborhoods.
 - g) The percentage of consumer and commercial loans applied for and originated by race and ethnicity, as reported by the borrower, and whether these consumer and commercial credit needs are being met.
 - h) Participation, including by making investments or grants, in community development and redevelopment programs, affordable housing creation and preservation, workforce

housing for low- and moderate-income workers in close proximity to jobs and as otherwise encouraged by the federal Community Reinvestment Act (Chapter 30 (commencing with Section 2901) of Title 12 of the United States Code), social housing, small business technical assistance programs, minority-owned depository institutions, community development financial institutions, tribal communities, projects and initiatives to increase access to high-speed internet and broadband services for underserved communities, government programs that support the elderly or disabled, government programs that provide disaster preparedness, recovery, and relief efforts, climate resiliency initiatives, housing counseling agencies, community land trusts, and other nonprofit organizations serving the affordable and fair housing, economic development, and wealth building needs of the community.

- i) Efforts working with delinquent customers to facilitate a resolution of the delinquency.
- j) For mortgage loans, the institution's efforts to work with delinquent borrowers to facilitate a resolution of the delinquency, including the number of loan modifications, the timeliness of such modifications, and the extent to which those modifications are effective in preventing subsequent defaults or foreclosures, in addition to data on numbers of delinquencies and foreclosures. If foreclosure is unavoidable, efforts to transfer property ownership to community land trusts, bona fide nonprofit housing organizations, or prospective owner occupants.
- k) Origination of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing, deed restricted and rent controlled units, and displacement of residents, which shall result in a downgrade of the rating given pursuant to Section 120014.
- l) Origination of loans that show an undue concentration and a systematic pattern of lending to employers with a history of wage theft or labor violations, which shall result in a downgrade of the rating given pursuant to Section 120014.
- m) The racial, ethnic, and gender diversity of the institution's board of directors and senior management, to the extent that information is available to the commissioner.
- n) For a covered financial institution that is a depository institution, the institution's use of reports from a specialty consumer reporting agency to determine eligibility for opening a bank account.
- o) For covered financial institutions that are depository institutions, the number of open and active accounts that meet the Bank On National Account Standards issued by the Cities for Financial Empowerment Fund.
- p) Evidence of discriminatory and prohibited practices, including violations of consumer protection laws, fair housing and fair lending laws, or wage theft protection and labor laws, which shall result in a downgrade of the rating given pursuant to Section 120014.
- q) An institution's record of meeting community needs, as informed by public comment, including the institution's responsiveness to needs of communities that have faced public and private discrimination, including the use of redlining, covenants, conditions, and

restrictions to exclude residents based on race, or other discriminatory housing and lending practices.

- r) Low-cost investments, loans, or financial services that further community stabilization, antispeculation, right of return, or other support that benefits homeowners, tenants, small businesses, or community institutions impacted by disasters declared by the Governor, which shall result in an upgrade of the rating given pursuant to Section 120014.
 - s) Hiring, contracting, or lending activities that support projects, programs, businesses, or other institutions that provide employment opportunities providing worker compensation, benefits, or career opportunities substantially above technical levels for the relevant industry, which shall result in an upgrade of the rating given pursuant to Section 120014 if there is a legally enforceable mechanism for the provision of those employment opportunities.
 - t) An institution's performance in relation to the demographics of the areas in which it has offices and other facilities and where it conducts substantial business.
 - u) An institution's performance in relation to its peers.
 - v) Any other factors or requirements, as determined by the commissioner, which reasonably bear on the extent to which a covered financial institution is meeting the financial services needs of its entire community, including responsiveness to community needs as reflected by public comments.
- 10) The commissioner may investigate and examine a covered financial institution's books, accounts, records, files, and offices, whether within or outside of this state, used in the business of a covered financial institution for compliance with this division.
- 11) Examiners shall have full access, and institution staff must cooperate and provide requested documents.
- 12) The examined officers and employees of a covered financial institution shall exhibit to the examiners, on request, any or all of its securities, books, records, and accounts and shall otherwise cooperate with the examination as far as it is in their power.
- 13) Requires the commissioner, in consultation with state and federal regulators with an appropriate regulatory interest, to examine each covered financial institution for compliance with this division, as well as applicable consumer protection, fair housing, and fair lending laws, including, but not limited to, the Unruh Civil Rights Act, the federal Equal Credit Opportunity Act, the federal Fair Housing Act, the federal Home Mortgage Disclosure Act, and Section 1071 of the Dodd-Frank Act.
- 14) Authorizes the commissioner to adopt rules on the examination, including the imposition of examination fees.
- 15) Authorizes the commissioner to conduct examinations under this division with other state or federal regulators and enter into cooperative agreements relative to the coordination of or joint participation in any examinations, the amount and assessment of fees therefor or enforcement actions relevant thereto, and to

- 16) accept reports of assessments by these regulators under those arrangements or agreements.
- 17) Requires the commissioner to assign one of the following ratings to describe how a covered financial institution is meeting its community financial services needs based on the assessment in #8.
 - a) Outstanding.
 - b) High satisfactory.
 - c) Satisfactory.
 - d) Needs to improve.
 - e) Substantial noncompliance.
- 18) Requires the commissioner shall adopt rules setting minimum thresholds or ranges of performance required for each rating described in subdivision (a).
- 19) Requires the commissioner to prepare a written evaluation upon the completion of the assessment of a covered financial institution of the covered financial institution's record of performance relative to this division. The written evaluation shall have a public section, which shall include no less information than would be disclosed in a written evaluation under the federal Community Reinvestment Act, and a summary of relevant Home Mortgage Disclosure Act data, including data related to applications, originations, and denials for conventional and government-insured mortgages based on the demographics of applicants and demographics of neighborhoods, and a confidential section. The commissioner shall give the covered financial institution an opportunity to comment on the evaluation, and then shall make the public section of the written evaluation publicly available on the internet websites of the department and covered financial institution, respectively. The written evaluation shall include, but not be limited to, all of the following:
 - a) The assessment factors utilized to determine the covered financial institution's descriptive rating.
 - b) The commissioner's conclusions with respect to each assessment factor.
 - c) A discussion of the facts supporting the conclusions made under subdivision (b).
 - d) The covered financial institution's descriptive rating and the basis therefor.
 - e) A summary of public comments.
- 20) Authorizes the commissioner to establish, by rule, an alternative examination procedure for any covered financial institution that, as of the most recent examination, has been assigned a rating of outstanding or high satisfactory for its record of performance in meeting its community financial services needs.
- 21) Requires a covered financial institution that receives a rating of "needs to improve" or "substantial noncompliance" to submit a plan within 180 days of receiving the rating to the commissioner describing the covered financial institution's efforts to improve its

performance in helping to meet the financial needs of local communities and the results of those efforts. The plan shall be subject to public comment and updated quarterly until the covered financial institution receives a rating of “satisfactory” or better.

- 22) Requires a covered financial institution to provide, in the public lobby of each of its offices, if any, and on its internet website, a public notice that is substantially similar to the following:

“State of California Community Reinvestment Notice

The California Department of Financial Protection and Innovation (Department) evaluates our performance in meeting the financial services needs of this community, including the needs of low-income to moderate-income households. The Department takes this evaluation into account when deciding on certain applications submitted by us for approval by the Department. Your involvement is encouraged. You may obtain a copy of our evaluation. You may also submit signed, written comments about our performance in meeting community financial services needs to the Department.

- 23) In considering an application for the establishment of a branch, office, or other facility, the relocation of a main office, branch, office, or other facility, a license renewal, change in control of a covered financial institution, or a merger or consolidation with or the acquisition of assets or assumption of liabilities of any covered financial institution, out-of-state bank, credit union, or residential mortgage licensee, national bank or credit union, or foreign financial institution, the commissioner shall consider, but not be limited to considering, the record of performance of the covered financial institution and its parent company, including all subsidiaries and affiliates thereof, relative to this division. The record of performance of the covered financial institution may be the basis for the denial of an application.”
- 24) Requires the commissioner to prepare and submit annually to the Treasurer a list of covered financial institutions that have received a rating of “needs to improve” or “substantial noncompliance” pursuant to this division. Notwithstanding any other law, a covered financial institution with a rating of “needs to improve” or “substantial noncompliance” shall not receive state funds for deposit or be awarded a state contract to provide financial services.
- 25) Establishes the Community Reinvestment Fund within the State Treasury. Moneys in the fund shall be available, upon appropriation by the Legislature, to the commissioner for purposes of administering this division.
- 26) Authorizes the commissioner to issue an administrative penalty of up to one hundred thousand dollars (\$100,000) to a covered financial institution that regularly fails to meet its obligations, including, but not limited to, a covered financial institution that receives a rating of “substantial noncompliance” in any two successive examinations. All moneys received in payment of administrative penalties under this section shall be deposited in the fund.
- 27) The commissioner shall adopt regulations to implement this division.

EXISTING STATE LAW:

- 1) Establishes the Department of Financial Protection and Innovation (DFPI) as the state agency responsible for licensing, regulating, and supervising a range of financial services companies

that provide products or services to California consumers, including but not limited to, certain banks and credit unions, finance lenders and brokers, residential mortgage lenders, and persons offering or providing consumer financial products or services. (Financial Code Section 300)

- 2) Prohibits a person or business entity from engaging in the following businesses without a certificate of authorization, organizing permit, or license, as specified, issued by DFPI:
 - a) Bank (Fin. Code Section 1005)
 - b) Credit union (Fin. Code Section 14150)
 - c) Residential mortgage lender (Fin. Code Section 50120)
 - d) Money transmitter (Fin. Code Section 2030)
- 3) Authorizes the commissioner of DFPI to examine the books, records, and accounts of any person or business authorized to engage in the businesses described in #2. (Financial Code Sections 500, 14250, 50302, 2120)
- 4) Clarifies the authority of the commissioner of DFPI to bring an action to enforce the provisions of the federal Consumer Financial Protection Act of 2010, as specified, with respect to an entity that is licensed, registered, or subject to oversight by the commissioner, as specified. (Financial Code Section 326)
- 5) Provides that all persons in California are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever. (Civil Code Section 51)

EXISTING FEDERAL LAW

- 1) Provides the Community Reinvestment Act that requires federal bank supervisors to use their examination authority to encourage banks to help meet the credit needs of the local communities in which they are chartered. (12 USC Section 2901 et seq., 12 CFR parts 25, 195, 228, and 345)
- 2) Provides the Equal Credit Opportunity Act that prohibits creditors from discriminating against credit applicants on the basis of race, color, national origin, and other specified factors. (15 USC 1691 et seq., 12 CFR Part 1002)
- 3) Provides the Consumer Financial Protection Act of 2010 that establishes the Consumer Financial Protection Bureau (CFPB) and authorizes the CFPB to take enforcement action against a person that commits or engages in an unfair, deceptive, or abusive act or practice in connection with a consumer financial product or service. (12 USC Subchapter V, Section 5481 et seq.)
- 4) Provides the Home Mortgage Disclosure Act that requires many financial institutions to maintain, report, and publicly disclose loan-level information about mortgages. (12 USC Section 2801 et seq., 12 CFR Part 1003)

FISCAL EFFECT: Unknown. This bill is keyed Fiscal by Legislative Counsel.

COMMENTS:

1) Purpose. According to the author:

The federal Community Reinvestment Act (CRA), enacted in 1977 as a key piece of civil rights legislation, was designed to combat the discriminatory practice of redlining, where lenders systematically denied credit to marginalized communities. While the CRA has driven historic investments in underserved neighborhoods, it does not cover certain financial institutions, such as credit unions and non-depository institutions. Today, these institutions—particularly independent mortgage companies—originate and service the majority of residential mortgages nationwide, marking a major shift in the financial landscape.

AB 801 is a priority bill for the California Legislative Black Caucus that responds to this shift. At a time of increasing federal deregulation, a strong state-level CRA is critical to advancing racial equity, expanding access to affordable housing, and ensuring that all financial institutions are accountable for reinvesting in the communities they serve.

2) Community Reinvestment Act (CRA)

History. The CRA was established in 1977 to help address the persistent problem of redlining, the illegal practice where people living in a certain area or neighborhood are not given the same access to loans and other credit services as people in other areas or communities based on race, color, national origin, or another prohibited reason.¹

The CRA was designed to encourage insured depository institutions (including banks) to help meet the credit needs of the communities in which they are chartered, consistent with their safe and sound operations, by requiring the agencies to examine an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.²

Achievements. Incentives provided by the CRA and requirements for compliance with other laws and regulations have prompted partnerships between banks and community groups to promote access to credit for low- and moderate-income communities and foster development in these areas. Other policy developments over time include the low-income housing tax credits and the Department of the Treasury's Community Development Financial Institutions Fund and New Markets Tax Credit Program..³

Market Changes. In 1977, banks held 74 percent of outstanding mortgage debt. Since the passage of the CRA, nonbank mortgage companies now originate more than 60-70% of new residential mortgages. They typically sell these loans to Fannie Mae, Freddie Mac, or Ginnie Mae and then retain servicing rights—not the debt itself.⁴ Traditional commercial banks still

¹ https://files.consumerfinance.gov/f/documents/cfpb_state_community_reinvestment_acts_2023-11.pdf

² <https://www.occ.gov/news-issuances/bulletins/2025/bulletin-2025-5.html>

³ <https://www.stlouisfed.org/on-the-economy/2018/january/community-reinvestment-act-history-future>

⁴ <http://www.urban.org/policy-centers/housing-finance-policy-center>

hold the most mortgage debt overall, especially in portfolio loans and home equity lines of credit.⁵

Other States. Connecticut, Illinois, Massachusetts, New York, Rhode Island, Washington, West Virginia, and the District of Columbia established state-level CRAs. In recognition of market changes, several states included mortgage companies in their state CRAs. Additionally, some states apply CRA obligations to credit unions. States have taken a wide range of approaches in implementing this obligation, from public notification of such an obligation to a periodic, written assessment of a financial institution's performance.⁶

3) California Community Reinvestment Act (CCRA)

Who is subject to the CCRA? AB 801 applies to state-licensed banks, credit unions, residential mortgage lenders (as specified), and money transmitters that are licensed in California. Federally chartered-only banks are not subject to the provisions of this bill. Some community banks are subject to federal and state CRA as they are state-chartered and federally insured.

How does CCRA compare to other states?

Banks – State Chartered (All states)

Credit unions (e.g., CA, CT, MA, NY)

Mortgage companies (e.g., CA, IL, MA, NY, DC)

Money Transmitters (CA, possibly IL, DC*)

*Definitions are broadly defined which may include money transmitters.

4) Federal Changes Necessitate State CRA.

Under the first Trump administration, change proposed by the Office of the Comptroller of the Currency would have made it made it easier for banks to pass CRA exams, by issuing credit cards and, under certain circumstances, for loans they make to build or improve facilities such as sports stadiums and hospitals. The Federal Reserve and the Federal Deposit Insurance Corporation, refused to sign on leaving banks confused as to which regulator to follow.⁷ Under Biden those changes were reversed.

Last month, the Trump administration it is withdrawing the 2023 CRA Final Rules. According to the National Community Reinvestment Coalition, “The rule would have brought the law into the 21st century, closed major gaps that allow banks to avoid investing in underserved areas both rural and urban, and created greater investments in affordable housing, small business development and community services – all desperately needed in this time.”⁸ What comes next is unclear at best.

⁵ <http://www.federalreserve.gov/releases/z1/>

⁶ https://files.consumerfinance.gov/f/documents/cfpb_state_community_reinvestment_acts_2023-11.pdf

⁷ <https://www.pbs.org/newshour/politics/biden-reverses-trump-changes-to-bank-antidiscrimination-law>

⁸ <https://ncrc.org/ncrc-statement-on-trump-administration-withdrawal-of-2023-community-reinvestment-act-final-rule/>

5) Policy Items for Consideration

- a) Timelines. 120006. This section sets the obligations of a covered financial institution (CFI) to conduct an initial assessment, solicit public input, and the documents to be delivered to the commissioners before January 1, 2029. It is unlikely that the DFPI will be able to begin a review of all CFIs immediately. The author may wish to consider aligning the assessment with the existing timeline for examination of covered financial institutions, but no later than three years after receiving the initial assessment.
- b) 120010. “(o)” This language should be expanded to include programs similar to BankOn offered in California. The author may wish to consider including similar programs serving people with low income – the unbanked or underbanked.⁹
- c) 120020. Rating Updates. The author may wish to consider changing the required quarterly updates submitted by the CFIs if they receive “needs to improve” or “substantial noncompliance” as it may not be possible to receive and report public comments every 90 days.

6) Amendments.

- a) Section 1. (c) and (d). The findings and declaration state the CCRA can direct private capital to the Community of Altadena and other disaster-impacted areas on an emergency basis. Language directing the specific assistance for disaster purposes is covered under subdivision “(h)”120008.

On page 3, delete lines 18-27.

- b) 120002. This language cedes legislative authority to the DFPI commissioner. The Legislature should review changes to the covered financial institutions.

On page 4, delete lines 5-6.

- c) 120006. Obligations. Direct CFIs subject to the federal CRA to include documentation submitted for federal CRA compliance the assessment packet submitted to the commissioner.

On page 6, line 9, after “(b)” please insert:
and documentation submitted to comply with the requirements of 12 U.S.C. §§ 2901–2908, as applicable,”

- d) 120008. Require notice to the CFIs subject to examination prior to the release of the public schedule.
- e) 120010. (h) This provision provides a factor for consideration in the assessment of CFIs, which includes a list of programs that may not include options that show investment in

⁹ https://www.rand.org/pubs/research_reports/RRA3117-1.html

services and programs designed specifically to meet the needs of low and moderate-income communities. This provision should be amended to account for such programs and specifically include financial literacy programs and (as found in the original CRA) low-cost education loans the financial institution provides to low-income borrowers.

Additionally, recent amendments add participation in government programs, but not all government programs allow for private capital inclusion. The bill should be amended to clarify government programs that accept private capital for the specified purpose.

(h) Participation, including by making investments or grants, in programs designed specifically to meet the needs of low and moderate income communities, in community development and redevelopment programs, affordable housing creation and preservation, *workforce housing for low- and moderate-income workers in close proximity to jobs and low-cost education loans provided by the financial institution to low-income borrowers*, *as otherwise encouraged by the federal Community Reinvestment Act (Chapter 30 (commencing with Section 2901) of Title 12 of the United States Code)*, *social housing*, small business technical assistance programs, financial literacy programs, minority-owned depository institutions, community development financial institutions, tribal communities, projects and initiatives to increase access to high-speed internet and broadband services for underserved communities, ~~green initiatives, government programs that accept private capital to support the elderly or disabled, government programs that~~ or provide disaster preparedness, recovery, and relief efforts, climate resiliency initiatives, housing counseling agencies, community land trusts, and other nonprofit organizations serving the affordable and fair housing, economic development, and wealth building needs of the community.

- f) 120010. (l). This language references a systematic pattern of lending to employers with a history of wage theft, worker's comp violations, etc. It is unclear how DFPI can make this determination without accessing information about entities funded by CFIs and cross-matching that data with violations received by other regulators. Access to and sharing this information may violate state and federal privacy laws.

On page 8, delete lines 17-20.

- g) 120010. The factors used for evaluation in the assessment may not apply to the examined CFI. Clarify that the factors used for evaluation in the assessment should be based on the business activities of the CFI and the credit union charter, if applicable.

On page 9, line 27, please insert after "(v)":

Factors used for evaluation in the assessment will be based on the business activities of the covered financial institution and limitations on membership in the credit union charter, if applicable.

- h) 120014. The minimum thresholds or ranges of performance required for each rating should be by category of CFI.

On page 10, line 39, after "(a)", please insert:

By category of covered financial institution.

- i) 120026. The rating should apply to new or extensions of existing state contracts to avoid an interruption in service.

On page 12, line 37, after “a” please insert:
“new or an extension of an existing”

On page 12, line 38, after “services.” please add:
All efforts should be made to avoid interruption of existing services provided by the covered financial institution.

ARGUMENTS IN SUPPORT

California Community Reinvestment Act, Rise Economy, SEIU California, Inclusive Action for the City, and the California Housing Partnership write:

Federal CRA examinations consistently demonstrate inadequate accountability despite banks' obligations. The system routinely overlooks serious violations, with 81% of fair lending violations and 91% of redlining cases missed during evaluations. Most concerning, 12 of 16 recent DOJ redlining consent decrees involved banks that had received passing CRA ratings. This fundamental disconnect demonstrates how banks engaging in discriminatory practices continue receiving "Satisfactory" or "Outstanding" ratings from federal regulators. AB 801 addresses such grade inflation.

The proposed California Community Reinvestment Act would level the playing field, ensuring that all financial institutions profiting from our communities invest in addressing critical needs for affordable housing, small business development, and fair financial services. This is especially critical at a time like now, when the Trump administration has targeted Department of Housing and Urban Development programs that provide capital for California's housing needs. The Administration has taken steps towards dismantling the Small Business Administration, the Community Development Finance Institution Fund, and other capital sources, such as the Greenhouse Gas Reduction Fund, all of which support community economic development in California's most vulnerable communities.

ARGUMENTS IN OPPOSITION

California Credit Union League writes:

Credit unions are financial cooperatives that exist solely to provide pooled funds for member-owners and should be recognized as the good actors they are. Due to their unique structure, credit unions don't need a push to serve people of modest means—doing so is embedded in the mission of all credit unions.

CCUL firmly believes that subjecting credit unions to CRA is unnecessary and will impede the credit union's natural ability to serve the underserved.

California Mortgage Bankers Association writes:

We believe the CRA regulatory structure which the bill would impose would do more harm than good with respect to mortgage lending for California consumers. The federal CRA law is

intended to cover a fundamentally different financial service business model than the model of independent mortgage banks (IMBs) that make up the majority of our lender membership.

The type of state mandated CRA in AB 801 is not just an illogical fit for IMBs, it is also unnecessary and a costly addition to existing regulatory burdens. IMBs are already closely regulated and examined by the DFPI and are covered by Federal and State fair lending laws. They are also subject to supervision by the mortgage regulators of every other state in which they are licensed. In addition to needlessly expanding this robust state and federal regulatory framework, the bill's new DFPI examination mandate would add regulatory burdens that will raise costs, by imposing additional expensive examination fees and the potential for significant administrative fines. Rising costs cannot simply be absorbed by lenders and will likely impact their ability to continue to provide efficient and affordable financing for California's housing needs.

REGISTERED SUPPORT / OPPOSITION:

Support

Acce Action (alliance of Californians for Community Empowerment)

Accessity

Altcap California

Ampac Tri-state CDC

Asian Pacific Islander Small Business Collaborative

Asian, INC.

Ben Tzedek Legal Services

Black Women Organized for Political Action (BWOPA)

California Capital Financial Development Corporation

California Coalition for Rural Housing

California Community Land Trust Network

California Dream Alliance

California Farm Link

California Green New Deal Coalition

California Housing Partnership

Cameo Network

Center for Community Action & Environmental Justice

Center for LGBTQ Economic Advancement & Research (CLEAR)

Community Vision Capital and Consulting

Consumer Action

Consumers for Auto Reliability & Safety

East Bay Housing Organizations

East Los Angeles Community Corporation

Economic Security California Action

End Poverty in California (EPIC)

Esperanza Community Housing Corporation

Fair Housing Advocates of Northern California

Faith and Community Empowerment

First Unitarian Church of Los Angeles

Haven Neighborhood Services

Home Preservation and Prevention INC DbA Hpp Cares

Housing California
Housing Now!
Housing Rights Center
Inclusive Action for the City
Initiating Change in Our Neighborhoods Community Development Corporation Icon CDC
Inland Equity Community Land Trusts
Main Street Launch
Microenterprise Collaborative of Inland Southern California
Multicultural Real Estate Alliance for Urban Change
National Community Reinvestment Coalition
Neighborhood Housing Services of Los Angeles County
Neighborhood Housing Services of the Inland Empire (NHSIE)
Neighborhood Partnership Housing Services INC
Neighborworks Orange County
Nonprofit Finance Fund
Opportunity Fund
Pacific Coast Regional Small Business Development Corporation
Pacific Community Ventures
Public Advocates
Public Counsel
Reinvent South Stockton Coalition
Rise Economy
Rural Community Assistance Corporation (RCAC)
Sacramento Environmental Justice Coalition
San Gabriel Valley Community Land Trust
Seiu California State Council
Southern California Association of Nonprofit Housing
Southern California Black Chamber of Commerce
Thai Community Development Center
The Academy of Financial Education
The Central Valley Urban Institute
The Fresno Housing Authority
The Greenlining Institute
Urban Strategies Council
Women's Economic Ventures
Working Solutions
Youth Leadership Institute

Support, if amended

California Bankers Association
California Community Banking Network

Opposition

California Credit Union League
California Mortgage Bankers Association

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