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Statement by
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Member, Board of Governors of the Federal Reserve System
before the
Committee on Banking, Housing and Urban Affairs
United States Senate

March 23, 1988

I am pleased to be here today to discuss the Community Reinvestment Act and the role the Federal Reserve has played in administering it. A good deal of time, thought, and effort has been invested by both the Board and the Reserve Banks in trying to carry out our CRA responsibilities effectively and fairly. As the Board member responsible for our program of compliance with CRA and the other consumer protection laws, these issues have received a great deal of my own thought and attention. I believe that it is appropriate, even essential, that we periodically stop and reflect on what we have been doing with respect to this law, as well as the other laws for which we are responsible. Consequently, I am very interested in learning what we might do to improve in the future. I compliment the Committee for holding these hearings. I believe they are timely and will help us all do a better job of administering this important law.

As stated in the statute, CRA was enacted in the belief that financial institutions have a responsibility to meet the credit needs of their entire local communities, including the low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. The Act's mandates are, however, directed in the first instance at the federal financial supervisory agencies. In their most basic terms they are:

- That the agencies encourage the financial institutions they supervise to meet the credit needs of the communities they serve, including the low and moderate income neighborhoods in those communities.
- That the agencies assess the community lending records of the institutions they supervise as part of their examinations.

That the agencies take the institution's record into account when considering certain applications.

The Federal Reserve thus has a three-part program in place to address these mandates. I propose to discuss the various elements of our program in my testimony today, as well as to discuss some of the issues we have confronted over the years in dealing with CRA. In doing so, I may touch upon the questions you raised in your letters of October 22, 1987 and December 23, 1987. In the interest of time, I do not propose to respond in detail to those questions in my statement, since that was done in Chairman Greenspan's letter to you of January 27. I will, however, be pleased to take any questions you may have regarding either my testimony or the material submitted in response to your letters.

The Federal Reserve's Overall Program

The Federal Reserve's overall program for dealing with its CRA responsibilities consists of a compliance examination program, a community affairs program, and a program for dealing with applications by banks and holding companies when CRA issues arise. In 1978 the Board and the other agencies published Regulation BB to implement the statute. The regulation sets out several specific requirements financial institutions must address, such as the requirement that the institution delineate its community, develop a CRA statement that indicates the types of lending the institution is prepared to extend in its community, provide a CRA public notice, and maintain a public comment file. It also sets out the criteria the agencies will

use in reviewing CRA performance including evidence of the institution's efforts to assess its community's needs, its marketing of credit services to the entire community, and its efforts to ensure that lending programs do not improperly exclude any geographic areas or illegally discriminate. The assessment factors also include a bank's record of opening and closing offices, its participation in community development projects and in government guaranteed or sponsored loan programs and the bank's residential, small business and small farm lending programs. We also review the extent the institution's board of directors participates in formulating its CRA policies and overseeing their implementation. In fact, I believe that the overall intent of these assessment criteria is to make the CRA process an integral part of the institution's management and operational decision making.

The criteria do not, however, set standards for the type and amount of lending that should be done, nor do they favor one form of lending over another. This is important to keep in mind since I am concerned that CRA has become, over the years, synonymous with home lending in the minds of many. The regulation, however, does not reflect such a leaning. It reflects the very strong belief that a long list of other forms of lending are just as important to the communities of this nation. This is particularly critical to the Federal Reserve, since many banks, which are the institutions we supervise, have not chosen to specialize in home lending, preferring not to engage heavily in the long term mortgage market. We believe,

however, these banks still play a valuable part in meeting other needs of their communities.

The Compliance Examination Program

The Federal Reserve's compliance examination program was begun in 1977. I want to emphasize that, within the Federal Reserve System, this is a specialized program that is carried out by examiners who are specifically trained in consumer compliance and CRA issues and whose primary job it is to conduct reviews and produce reports that deal exclusively with consumer compliance and CRA. We believe that the importance of this program warrants this kind of specialization and that the knowledge and expertise necessary to deal effectively with these laws require it.

Our examiners are hired and managed by each Reserve Bank and participate in examinations of state member banks in their own districts. The Board here in Washington sets policy for the program and also provides oversight and support for the Reserve Banks. The Board also organizes the uniform training program for the examiners, although most of the Reserve Banks also provide more individualized and localized training, as well.

When the program was begun, we examined each State member bank at least once a year. Over the years we have increased the interval between examinations so that at present banks with a better than satisfactory rating are generally examined every eighteen months. Some of the best-performing banks may have as much as 24 months between examinations. Banks with less satisfactory records are examined at a one-year interval or more frequently, however.

These changes in the frequency of examination were prompted by two primary factors. First, we found that after some years at the shorter interval, a longer period between examinations proved sufficient to assure an adequate level of oversight. After several examinations, an 18 month interval between examinations enabled us to see and measure progress or change within a particular bank in the great majority of cases. Second, the Board committed to observe the "spirit" of Gramm-Rudman-Hollings, and the compliance program, like virtually all of the System's programs, had to share in the resulting cuts.

Despite fine-tuning such as this over the years, our compliance examination program has retained its essentially specialized character and our goal has been to maintain a solid and professional program. We try to produce an examination report that is useful to the bank's management by pointing out both its strengths and weaknesses and by suggesting how to enhance the former and minimize the latter. Our examiners have contacted thousands of members of the communities in which they have conducted examinations--everyone from local government agencies to small businesses to grassroots community organizations--in an attempt to understand the needs of the community the bank serves. With this information, we try to encourage the bank to meet those needs. We believe our examiners efforts have been significant, evenhanded, and useful to the banks and their local communities.

The Community Affairs Program

As an outgrowth of our experience in dealing with CRA we have developed one particularly noteworthy area of special expertise to work with and encourage the banks. That is, in 1980 the Board began its formal community affairs program. We have learned that community development lending, when done properly, can benefit both the bank and the community. However, many banks have been hesitant about involving themselves in the more complicated programs and techniques demanded by economic development lending. This hesitancy has been caused primarily, we believe, by a lack of education. We have also found that many members of the communities the banks served, including many of the local governmental lenders, were unaware of the productive ways a bank could leverage its resources in a public/private partnership to benefit all parties concerned. The Community Affairs program's main purpose, therefore, is to develop our own expertise in the methods and techniques of sound community development lending in order to be able to serve as a resource for banks and members of the communities in the various Federal Reserve districts in matters pertaining to safe, sound, productive, and thoughtful community development lending.

It is the goal of the System's community affairs program to become familiar with the credit needs of the cities, towns, and rural areas in the Federal Reserve districts through outreach to those areas. Once having identified these needs, our community affairs officers try in a variety of ways to work with interested parties to address them. For example, over the last 3 years alone the program has sponsored 89 conferences and seminars

on opportunities and techniques for community development lending and other related subjects. On numerous occasions, the Community Affairs staff has also served as speakers at conferences sponsored by others. The Reserve Banks have undertaken additional initiatives, such as publishing periodicals that deal with community lending subject matter, producing resource books on the programs for community development lending in which a bank might wish to participate, forming community lenders forums in communities in their districts to provide mutual education about community development opportunities and techniques, and producing community profiles designed to help lenders and others in the community know what the needs are, what resources are available and what contribution the various interests might make. All of these efforts are, we believe, consistent with the act's mandate that we "encourage" financial institutions to meet the credit needs of their communities. The attachments to my testimony provide more specific information about these and other activities of our community affairs program. I have also brought some other materials that represent these activities that I would like to have included in the record of these hearings.

I would like to take just a moment to speak about three areas of endeavor by the Federal Reserve and the other agencies in which I am particularly interested. First, for about a year now it has been my privilege to chair the Board of Directors of the Neighborhood Reinvestment Corporation. As you are no doubt aware, this organization helps to set up and support the many Neighborhood Housing Services corporations around the country.

Many members of the Federal Reserve's community affairs programs in the Reserve Banks have also participated heavily in this program.

The second activity I would like to mention is our work with community development corporations. Since well before the advent of CRA, the Federal Reserve and the Comptroller of the Currency allowed and encouraged the creation of bank holding company and national bank community development corporation subsidiaries. Community development corporations -- or "CDCs" as they are called -- are corporations chartered to bring the lending, financial packaging, and other special talents of the banker to bear on specific community projects. CDCs may focus, for example, on special community needs such as low-income housing or small business revitalization. These corporations have the potential for making important contributions to community revitalization in part because they are given unusual authority, for example, to take equity positions or own real estate. The Federal Reserve and the Comptroller's office cosponsored a conference in August of 1987 dealing with CDCs. The conference was attended by about 200 bankers and the program has elicited a good deal of interest among the participants.

I believe that CDCs and the NHS programs are two examples of the kind of activity in which financial institutions can usefully and safely engage as part of an overall CRA-related effort. They are also the kind of thing we, as regulators, can responsibly encourage financial institutions to explore. They represent vehicles, already in place, that financial institutions

can use to engage in public/private partnerships to leverage their resources, both financial and managerial, to the greatest benefit in pursuit of the goals of CRA. I believe that we, as regulators, can best use our resources by encouraging the institutions we supervise to explore these and other similar avenues of potential community involvement. If we are successful in encouraging this type of long-range activity, we stand a much better chance of getting on-going high quality community development lending rather than instant, and perhaps short-lived, programs calculated to win approval of a particular application.

The final special project I would like to mention is our work to advise women and minorities regarding their rights and responsibilities under the Equal Credit Opportunity Act when applying for business credit. I believe women and minorities are important actors in the business life of our nation's communities and I am particularly proud of the work we have done to help educate them on this important subject. In particular, I am proud of the brochure entitled "A Guide to Business Credit and the Equal Credit Opportunity Act" that we produced in conjunction with several other public and private organizations and agencies.

The Applications Process

The third part of the Federal Reserve's program for responding to the CRA's mandates that I would like to discuss is our process for taking the CRA record of banks and holding companies into account when considering certain applications. When reviewing an application, for example, by a holding company to acquire a bank, it is the Board's responsibility to see that

the applicant meets numerous criteria. The Board must see to it that all relevant financial and other safety and soundness requirements are met, that the necessary managerial ability will be brought to bear, that no competitive problems would bar approval and that the convenience and needs of the institution's community will be served. The requirement to serve the community's convenience and needs predates the CRA. Therefore, when CRA was enacted the analysis it required was logically made a part of the convenience and needs assessment already required by statute. The CRA analysis thereby became part of the normal applications processing procedures of the Federal Reserve System.

Dealing with CRA in the context of the applications process has been the part of the program that has raised the most serious concerns for the Federal Reserve, the financial institutions, and the community groups who have claimed a large stake in the process. Frankly, it has often been a contentious process and has been of great concern to me, personally. One reason for this is simply the sheer numbers of protests in the last few years. In CRA's early days, the protests were a small part of our work; usually only a handful of cases were handled each year. However, in recent years the numbers of protested applications has increased markedly. In 1987, for example, there were 35, when just three years previously, in 1984, there were three.

In addition, the cases have become more complex. For example, more applications now involve interstate acquisitions. The applications have more frequently involved multiple protests

in several cities, often crossing our Federal Reserve District lines. Obviously, that is of little intrinsic interest to the applicant and the protestant, but it does increase the logistical difficulties of gathering the necessary facts and otherwise coordinating the case, especially when significant issues surface.

To try to expedite the process and minimize these difficulties, in 1981 the Board published an information statement explaining how it would deal with CRA issues that were likely to surface in the application process. It has published jointly with the other agencies a Citizens Guide to CRA to help interested members of the public know how to involve themselves in the applications process. The Board has also made adjustments to its notice, comment and public meeting rules to try to assure that interested parties who wish to participate in the applications process can do so. These rules, however, are not rules relating only to CRA. They are rules that apply to applications generally and to any comments by the public they might elicit, no matter what their subject might be.

Obviously, the ultimate resolution of cases that raise CRA issues has required the Board to exercise a great deal of judgment, since no two cases present identical facts or issues of policy. The Board chose in the early years of the law's existence to emphasize obtaining commitments for future improvements when presented with a record that had specific areas of weakness. Of the 112 cases the Board reviewed between 1978

and 1987 involving CRA protests, 28 have resulted in the applicant committing to the Board to take specific future actions to correct problems with its record. It has been the Board's belief that, as a general matter, working in a positive vein with these institutions, rather than simply turning down the application, was consistent with the law's mandate that we encourage these institutions to meet the credit needs of their communities. Moreover, it was not always clear in these cases that the applicant's CRA record was poor enough to deny the application.

Of course, we have not always waited for a protest to prompt a close review of an applicant's record. When we have found problems in an applicant's CRA examination record, either through our own examiners or those of another agency, we have conducted the same kind of review we conduct in a protested case.

The type of review conducted in these cases varies with the circumstances and the issues raised. Typically it will involve a review of the Home Mortgage Disclosure Act data, any data available in Reserve Bank examination files, information supplied by other examining agencies (including, on occasion, state agencies), any data supplied by the protestant, and information supplied by the financial institution in response to the protest or in response to a request for information from us. The Board considers the types of lending being done in the context of the community's needs. Consequently, although we believe home mortgage lending is important, small business,

agricultural, and other types of lending are also ways of meeting important community needs, as well.

Our purpose in each case, however, is to consider all of the facts and exercise our own judgment about the merits of the matter. This has lead us to approve applications over the objection of protestants when we believed the applicant's record was already consistent with approval. It has also lead us to obtain commitments for improvement when no member of the public objected to the application. I believe that that is the essence of what the law tells us we should do --that is to conduct our own review and reach our own conclusion about the merits of the matter.

All of this takes time, and time is often the point of contention between the applicant, the protesting group, and the Federal Reserve. Many of these applications are very time sensitive and delay can increase the applicant's costs substantially or may cause the deal to fall through. We feel we have to be fair to the applicant and the protestant. To the extent possible, we try to meet our own processing goals, which have long been public and which are designed to address other goals of the Board, including timely processing of all applications, whether or not CRA is involved. By the same token, we believe that we must give thorough consideration to the protestant's substantive concerns and, if we find problems, that we must take the action we believe is appropriate.

We believe our processing period is long enough for all parties to get a fair review of their views. To help speed this

process we urge groups to communicate concerns to the applicants and to the Federal Reserve on an ongoing basis, not just when an application is filed.

One procedure that has been used to deal with CRA issues that arise in the context of applications has been to provide a forum for protestants and applicants to sit down together in private meetings and discuss the issues between themselves. Sometimes these meetings have resulted in agreements between the parties. These agreements are essentially private matters. We do not believe the law authorizes us to direct banks to make loans of certain types, with specific terms, in particular amounts, or to specified locations. We believe that lending decisions are best left to the informed judgment of the lender, taking into account the market situation, the lenders own business plans and strengths, and all of the credit demands of its community, which is consistent with the Community Reinvestment Act.

Obviously, a good deal has changed in the financial world since CRA was enacted. Influences such as interstate compacts, changes in technology, and the Monetary Control Act have significantly affected the way business is done. To be sure that we are as responsible as we can be in supplying guidance on our expectations in today's environment, I have asked our staff to review our programs, policies, and procedures, and in particular the 1981 information statement to see where we can

improve our program, provide the necessary guidance and make sure it is up to date.

Nonetheless, I think we have had, and will continue to have, a solid, professional and responsible program in place to deal with CRA. Obviously, we can all improve at what we do. But I believe our program of education, and review of applicants' CRA records, and examinations has been totally consistent with what the law told us we should be doing. I expect to go on trying to improve that program and believe we will thereby help achieve what we all seek--and that is responsible, safe and sound involvement by financial institutions in their communities on a day to day basis.

I appreciate the opportunity to appear before this committee today to discuss this important subject. I will be pleased to take any questions the committee might have.

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**Seminars, Workshops and Conferences Sponsored by Reserve Banks
1985 - 1987**

Boston

05/01/85 Roundtable on Consumer Issues

05/86 Hosted NHS meeting

05/86 Forum for Providence Bankers on Special Credit Programs featuring Paul Grogan from the Local Initiatives Support Corporation (LISC)

03/11/86 Community Affairs Seminar in Cranston, RI sponsored by Boston Federal Reserve Bank and Rhode Island Bankers Association

New York

05/10/85 Presentation of Title Lien Data Verification Study to New York State Banking Department and the FDIC

05/29/85 Roundtable on Consumer Banking Issues attended by representatives in the District.

09/19/85 Roundtable Discussion of Private Lender Participation in Projects funded by the New York State Low Income Housing Trust Fund Program

02/13/86 Seminar on "Low Cost Financial Services" attended by lenders (80 attendees)

03/20/86 Conference on "Accessing New York City Services for Businesses co-sponsored with the City Office of Business Development and the Regional Interagency Committee. Attended by lenders and government representatives (125 participants)

06/24/86 Seminar on "Mortgage Criteria: Risk Management in Urban Areas" focused on underwriting criteria (90 participants)

10/20/86 Seminar on Mutual Housing as a New Approach to Long-Term Affordable Housing attended by lenders, government representatives, foundations and community organizations (approximately 140 attendees)

12/16/86 Briefing on Nehemiah II housing project for lenders and community groups

04/23/87 Seminar on "Rehabilitation Financing: Case Studies in Producing Housing for Low and Moderate Income People (130 attendees)

06/25/87 Seminar on "Financing Small Business Development" (120 participants)

10/22/87 Seminar on "Lending for Community Development: Options" (120 participants)

12/08/87 Workshop on Low Income Housing Tax Credits for senior lending officials

Philadelphia

06/26/85 Seminar on Consumer Banking for area banks

03/21/86 Meeting of Council of Community Affairs Officers of Philadelphia banks

07/30/86 Philadelphia Banks Community Affairs Officers Conference

03/23/87 Philadelphia Council of Community Affairs Officers

04/15/87 &
06/26/87 Meetings of Camden Council of Community Affairs Officers

07/21/87 Community Affairs Conference co-sponsored with Richmond Federal Reserve Bank and the Enterprise Foundation held in Baltimore

09/24/87 Special meeting of Compliance Officers of Philadelphia banks

10/02/87 Annual Bank CAO's Conference (150 participants)

11/19/87 Camden Council of Community Affairs Officers

Cleveland

3rd qtr. 85 "Private Sector Partnerships for Creative Economic Development" co-sponsored with the OCC, Cleveland Banks, SOHIO, AEI

12/10/85 Community Affairs Conference for Kentucky Bankers co-sponsored with St. Louis Federal Reserve Bank

1st qtr. 86 Focus group for large BHC's in District to discuss CRA and Community Affairs issues

2nd qtr. 86 NHS Tenth Anniversary Celebration

2nd qtr. 86 Meetings with Pittsburgh lenders on Community Development lending co-sponsored with the Pittsburgh Working Group

3rd qtr. 86 Presentation by CANDO to local CDC's, lenders, city officials and foundations

3rd qtr. 86 Seminar on CRA for Cincinnati bankers

11/17/86 CRA Officers Forum for bankers

1st qtr. 87 Community Affairs Program at Pittsburgh Branch on low-income housing

2nd qtr. 87 Cincinnati CRA Officers Council co-sponsored with FHLB of Cincinnati

10/87 Conference on Community Partnerships co-sponsored with HUD. Held in Pittsburgh

Richmond

01/16/85 SBA 503 Certified Development Companies meeting co-sponsored with Richmond Renaissance

03/06/85 Advisory Council of Richmond NHS

08/15/85 Home Base Home Ownership Counseling Service seminar for lenders

10/16/85 Community Redevelopment Conference for the Carolinas in Charlotte, N.C. Attended by banks, savings and loans, credit unions and community groups

- 11/12/85 "Neighborhood Reinvestment and Development in Richmond: A Report." Seminar for bankers and community groups
- 03/11/86 Conference on "Federal Financing and Management Assistance for Small Business Exporters" Co-sponsored with SBA at the Baltimore branch
- 07/17/86 Conference on "Neighborhood Reinvestment in D.C. - A Partnership of Housing Concerns and Banking"
- 02/19/87 Conference on "Commercial Revitalization Loan Programs" Co-sponsored with the Virginia Downtown Development Association and the Virginia Department of Housing and Community Development
- 07/21/87 Community Affairs Conference co-sponsored with Philadelphia Federal Reserve and the Enterprise Foundation at the Baltimore branch
- 08/20/87 Workshop on the Virginia Main Street Program (50 attendees)
- 10/28/87 CRA Conference in Columbia, S.C.

Atlanta

- 03/18/85 Workshop on "Successful Strategic Planning for Alabama Communities" (150 participants)
- 12/85 Conference on "The Role of Banks in Local Economic Development" in New Orleans for bankers in Louisiana and Mississippi (over 100 attendees)
- 02/87 Conference on "The Entrepreneurial American City" in Tampa co-sponsored with HUD (over 300 participants)

Chicago

- 05/14/85 Conference on Community Development Corporations for lenders in Illinois
- 09/23/85 Conference on Community Development Corporations for lenders in Michigan

2nd qtr. 86 Conference on Community Development
Corporations for lenders in Indiana

05/18/87 Conference on Community Development
Corporations for lenders in Wisconsin

09/87 Conference on "Financial Institutions and
Local Economic Development" Co-sponsored with
the National Council for Urban Economic
Development (over 200 participants)

St. Louis

4th qtr. 85 Seminar on "The Economy - The Impact of
Growth on St. Louis"

12/10/85 Community Affairs Forum for bankers in
Kentucky co-sponsored with Cleveland Federal
Reserve Bank

03/19/87 CRA Seminar for bankers in Kentucky
co-sponsored by Cleveland Federal Reserve
Bank

04/13/87 NHS Owner - Rehab Project video premiere

05/21/87 Conference on Agricultural and Rural
Development

MINNEAPOLIS

01/31/85 Conference on "Preserving Access to Financial
Services"

2nd qtr. 85 Networking Opportunity Program for the
Metropolitan Economic Development Association
(minority business association) and lenders

3rd qtr. 85 Lenders briefing for the Minneapolis
Multi-Family Renovation Project

4th qtr. 85 Workshop on the Community Information
Exchange (CIE) for non-profit developers

1st qtr. 87 Conference on "Social Investment in Community
Development" co-sponsored with the Humphrey
Institute of Public Affairs

- 1st qtr. 87 Conference on "Working Together for Creative Enterprise" co-sponsored with First Bank Duluth and the Duluth Reinvestment Coalition
- 4th qtr. 87 Workshop with the Metropolitan Economic Development Association for minority small business persons

KANSAS CITY

- 02/25/87 Seminar on Community Development Corporations co-sponsored with the Kansas City Neighborhood Alliance
- 2nd qtr. 87 Conference on Community Development Corporations in Milwaukee, Wisconsin co-sponsored with Chicago Federal Reserve Bank

DALLAS

- 2nd qtr. 85 Seminar on NHS for lenders
- 10/10/85 Seminar for lenders on NHS
- 10/30/85 Workshop for minority and women business persons on lending issues and concerns
- 04/21/87 Informational seminar for lenders in the district on CRA, Protests and Applications
- 10/07/87 Seminar for lenders with speakers from the Community Bankers Association
- 11/05/88 Northwest Texas Rural and Economic Development Conference in Lubbock co-sponsored with SBA and Texas Tech University

SAN FRANCISCO

- 06/85 Hosted Forums for the Northern California Association for Non-Profit Housing and the Bay Area Council
- 10/17/85 Community Affairs Conference for lenders, community groups and government representatives (attended by 150)

11/20/85 Forum on Housing Production for housing professionals and others

1st qtr. 86 Hosted Housing Forums on Rent Control, Tax Reform and Affordable Housing for the Northern California Association for Non-Profit Housing

04/23/86 Forum on "The Impact of Financial Service Deregulation on Community Investment"

07/09/86 Hosted Forum on "Software for Real Estate and Housing" for the Northern California Association for Non-Profit Housing

12/86 Hosted Housing Forums on Rehabilitation and Affordable Housing for the Northern California Association for Non-Profit Housing

11/21/86 Seminar on "Access to Housing: Second units in San Francisco" with Independent Housing Services

4th qtr. 87 Hosted Housing Forums for the Northern California Association for Non-Profit Housing

BOARD of GOVERNORS

04/85 Seminar on Basic Banking and Consumer Services attended by consumer group representatives (12 participants)

12/86 Conference on Government Check Cashing and Alternative Benefits Delivery Systems (25 participants)

08/87 Forum on "Financial Institutions' Community Development Corporations" cosponsored with the Office of the Comptroller of the Currency (over 200 participants)

10/87 Conference on "Basic Banking and Home Equity Lines" cosponsored with the American Bankers Association and the Consumer Bankers Association (100 participants)

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**Formal Talks Given by the Reserve
System Community Affairs Offices
During 1987**

Boston:	1	Chicago:	9
New York:	7	Minneapolis:	2
Philadelphia:	18	St. Louis:	5
Cleveland:	7	Kansas City:	2
Richmond:	6	Dallas:	8
Atlanta:	5	San Francisco:	3

Board of Governors: 28

Total: 101

SUMMARY OF COMMUNITY CONTACTS REPORTED BY
FEDERAL RESERVE BANK PERSONNEL, 1986 - 1987*

	1986	1987
Government Officials (Including state and local)	214	247
Civil Rights and Consumer Organizations (including legal services)	14	9
Community Development Corpor- ations (including Economic Develop- ment and Housing Organiza- tions)	161	163
Grass Roots Community Groups	52	42
Trade Associations	157	120
Private Individuals	186	216
TOTAL	787	787

* Community contacts reported by Federal Reserve Bank personnel, primarily in the context of Community Reinvestment Act examinations, either in person or by telephone.

CRA PROTESTED APPLICATIONS RECEIVED BY FBI DISTRICTS

DISTRICT	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	TOTALS
BOSTON	1		4	2	1	2		1	1		12
NEW YORK	5	2	2		1	2		1	1	1	15
PHILADELPHIA	1	1	1		1	1	3				8
CLEVELAND	2	1	1		1	3	2	1	3		14
RICHMOND	4	1	2								7
ATLANTA	2	1	3						1		7
CHICAGO	6	4	1				1	1	2		15
ST. LOUIS	5		2						2	1	10
MINNEAPOLIS	1	2		1							4
KANSAS CITY	1	3	3								7
DALLAS	1	2									3
SAN FRANCISCO	6	3					1				10
TOTALS	35	20	19	3	4	8	7	4	10	2	112