



# Achieve CRA Compliance with VBBP



## Help Your Bank or Saving Association Meet Community Reinvestment Act (CRA) Requirements\* with VBBP.

A bank or savings association's (financial institution) participation in VA's Veterans Benefits Banking Program (VBBP) may qualify as a retail banking service creditable under CRA's service test (12 CFR 25.24).



### Service Test<sup>†</sup>

The service test evaluates a financial institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of a financial institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

When performing a CRA exam, federal regulators evaluate the availability and effectiveness of a financial institution's systems for delivering retail banking services. The regulator will assess the range of a financial institution's services provided in low-, moderate-, middle-, and upper-income geographies, and the degree to which those services are tailored to meet the needs of those geographies (12 CFR 25.24(d)(4)).

For VBBP-participating financial institutions to earn credit under the service test, financial institutions should record and make the following information available to CRA examiners:

- The number of Veterans, VA beneficiaries, caregivers, and survivors (VA benefit recipients) who opened accounts and enrolled in direct deposit because of VBBP.
- Any counseling the financial institution provided to enable a VA benefit recipient to open an account using VBBP.
- Documentation to show how many VA benefit recipients who opened accounts through VBBP were low- or moderate-income (LMI) individuals or came from LMI census tracts.
- Documentation to demonstrate how the financial institution's participation in VBBP met the needs of the financial institution's assessment area(s) or a broader statewide or regional area that included the assessment area(s). Such documentation could include an analysis of the volume of VA benefit recipients living in the assessment area(s) or the broader region, and how the financial institution addressed their needs, especially the needs of LMI individuals.

### Resource Links

- OCC CRA: <https://www.occ.treas.gov/topics/consumers-and-communities/cra/index-cra.html>
- FDIC CRA: <https://www.fdic.gov/resources/bankers/community-reinvestment-act/index.html>
- Federal Reserve CRA: [https://www.federalreserve.gov/consumerscommunities/cra\\_about.htm](https://www.federalreserve.gov/consumerscommunities/cra_about.htm)
- FFIEC CRA: <https://www.ffiec.gov/cra/default.htm>
- VBBP: <https://veteransbenefitsbanking.org/vbbp-resources>

\*Disclaimer: VA and AMBA created this guidance to help banks receive CRA compliance credit for VBBP participation. No federal or state regulatory agency has approved this guidance. Financial institutions' CRA compliance requirements vary based on factors such as asset size and assessment area(s). Financial institutions must perform their own due diligence, such as by consulting with their primary regulator, when determining whether a loan, investment, or service is eligible for CRA consideration.

<sup>†</sup>Department of the Treasury. "Community Reinvestment Act Regulations." Federal Register 86, no. 238 (December 15, 2021): 71328. <https://www.govinfo.gov/content/pkg/FR-2021-12-15/pdf/2021-27171.pdf>