The world is changing rapidly and the approaching millenium looms large, bringing with it feelings of excitement and anticipation, and a number of issues whose outcomes will affect us all. One of the most critical issues for those of us in the community development field concerns the future of the Community Reinvestment Act.

As you may know, the CRA is again under scrutiny on Capitol Hill. One can only speculate what might happen in its absence, since most would agree that the CRA has significantly increased the flow of private capital into our nation’s poorest communities. In the article that follows, Andrea Levere makes an interesting point about the role of the CRA. Describing the recent surge of bank participation in revolving loan funds (RLFs), she observes, “The CRA is obviously a major force in encouraging bank investment in RLF’s; but while CRA may be what motivates banks initially, it is not necessarily what keeps them invested over time.” Indeed, the CRA’s ability to bring financial institutions to the table may be its greatest legacy.

For nearly fifteen years, the Federal Reserve’s Community Affairs Unit has been devoted to helping banks improve their CRA performance. We accomplish this through a myriad of products and services including technical assistance, educational seminars and conferences, banker roundtables, community profiles, and special projects. While the CRA and fair lending laws have been at the core of our work, our focus has expanded to include the vast landscape of community and economic development.
Community Investments is another vehicle through which community and economic development issues are presented. Each quarter, we try to strike the right balance between practical, theoretical, and cutting-edge information . . . all with an eye toward strengthening your “tool kit” of innovative ideas and opportunities. With a circulation topping 8,000, Community Investments is positioned to become the premier source of industry information in the 12th District. We’d appreciate your comments or ideas for future issues.

Whatever the outcome of the latest CRA debate, the Federal Reserve will continue to support community and economic development into the next millennium. In the meantime, we look forward to receiving your feedback on Community Investments and to assisting your community development efforts throughout the year.