

CDBA Members Kenneth Kelly of First Independence Bank and Jeff Bowman of Bay Bank testified before the House Committee on Financial Services Subcommittee on Consumer Protection and Financial Institutions

On Tuesday, October 22, the House Financial Services Subcommittee on Consumer Protection and Financial Institutions held a hearing titled, "An Examination of the Decline of Minority Depository Institutions and the Impact on Underserved Communities." The hearing explored the ways in which Minority Depository Institutions (MDIs) meet the needs of underserved communities, yet face continued struggles due to the targeted nature of their mission. Many of these institutions perform well, yet struggle to raise capital and access deposits. Mr. Kelly's and Mr. Bowman's testimonies represented their unique voices in the MDI and CDFI sectors, with First Independence serving the larger metropolitan Detroit area and Bay Bank serving the Native American communities in rural Wisconsin.

The hearing explored their commentary regarding two legislative proposal discussion drafts (bills not yet proposed)- the Ensuring Diversity in Community Banking Act, and a bill that would encourage more collaboration between the Treasury and MDIs in the Treasury's Mentor-Protege Program.

The Ensuring Diversity in Community Banking Act is a proposal put forth by Congressman Gregory Meeks (D-NY-5) that includes the following actions (among others):

- Establish and codify MDI Advisory Committees for all prudential regulators
- Incorporate information sharing for CDFI certification, when appropriate, as part of FDIC's de novo bank application process
- Simplify CRA exams for eligible MDIs that are also CDFIs
- Create a Small Business Administration task force focused on MDIs and CDFIs
- For Congress to fund the Loan-Loss Reserve Fund for Small Dollar Loans

- Allow investments in CDFIs that operate in opportunity zones

The discussion draft regarding the Treasury's Mentor-Protege Program is a proposal put forth by Congresswoman Joyce Beatty (D-OH-3). This legislation would codify the Treasury's Mentor-Protege Program to encourage collaboration between MDIs and institutions that are financial agents for the Treasury Department.

More information on the hearing can be found [here](#).

[Kenneth Kelly's testimony](#) | [Jeff Bowman's testimony](#)