

Tribal Leaders Hope CRA Plan Could Help Bring More Foreign Bank Help

By Jon Prior, American Banker, September 13, 2019

Native American tribal leaders are hoping foreign banks might step in to provide added assistance if regulators act on a plan leaders have put forward to designate Indian country as its own area under the Community Reinvestment Act.

Deutsche Bank Americas Foundation, the philanthropic arm of the \$1.6 trillion-asset German firm, already gave \$1 million in financing to Native American Bank in Denver, a community development financial institution, to be used to develop affordable housing, infrastructure, day care centers and retail locations on tribal lands.

The loan comes in below-market interest rates, said Tom Ogaard, CEO of the \$160 million-asset bank.

Ogaard, who took part in a recent tour of Native American communities in Albuquerque, N.M., with Comptroller of the Currency Joseph Otting, said granting Indian country its own CRA-designated area would direct more resources from bigger firms outside these areas.

“By and large I think the foreign banks are going to find this as a niche for them to meet their CRA requirements,” Ogaard said in an interview Friday.

Deutsche Bank began directing more community development financing outside of its usual area in New York City last year when it issued a request for proposals for a \$2.5 million program for Native Americans.

“Deutsche Bank Americas Foundation is philosophically supportive” of an initiative that would set up a designated CRA area for tribal lands, a spokesman said in an email. Talks are continuing between the OCC, Federal Reserve Board and Federal Deposit Insurance Corp. on a possible CRA reform proposal this fall.

It’s unclear whether Otting, who has led the effort, supports going as far as designating Native American CRA zones, but he said their approach would give banks more clarity on when they could go outside their existing areas.

The needs in Indian country are vast. Native American Bank recently arranged a deal to finance the building of a grocery and gas complex on Chippewa tribal land in northern Minnesota. Some members had to take a 76-mile round trip for fresh groceries.

“I would like them to have another incentive to help us with lending in Indian country,” Ogaard said about the bigger banks.