

Credit Needs Assessment



Key Technical Applications

Disparity Analysis

Credit Needs Assessment

Banking Activity in Black and Hispanic Neighborhoods

Econsult Solutions, Inc. (ESI) led a team of Black and Hispanic owned firms to write a credit needs assessment (CNA) of majority Black and Hispanic neighborhoods for a private banking institution. In addition, the ESI team worked with representatives from the institution to develop an overall outreach strategy, a list of people and organizations to connect with, and a series of materials to resource those discussions.

Using publicly available data on the demographics of the bank's trade area in the Affected MSAs and the composition and scale of banking activity, the ESI team produced a series of static and interactive analytical tools that collectively provided a vivid sense of credit needs in majority Black and Hispanic neighborhoods.

This analysis highlighted the great disparity in home lending activity and branch location penetration in majority Black and Hispanic neighborhoods versus other neighborhoods.

The team found that there is a need for accessible mortgage product offerings, cultural sensitivity and language access, and the creation of best practices in outreach and advertising actions, among others.

The coalescence of analysis results, outreach content and existing bank and government offerings yielded six recommendations that form the conclusion of the CNA report. These recommendations focused on the following challenges: Mortgage Products and Pricing, Physical Presence, Counseling, Language Access and Cultural Sensitivity, Outreach and Advertising, and Community-Based Organizations.

With the given recommendations, the private banking institution can put together a Remedial Plan that addresses those challenges to increase banking activity and opportunities in majority Black and Hispanic neighborhoods in the Affected MSAs.

Project Information

Location: New York
Client: Confidential
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