



## City of San Diego – Responsible Banking Ordinance

### 2023 – 2025 Community Reinvestment Plan

At U.S. Bank, we are dedicated to supporting our communities through responsive and humbled actions, focused on addressing racial and economic inequities and creating lasting change in our communities. Through our Community Possible Grant Program, we are partnering with organizations who focus on economic and workforce advancement, safe and affordable housing and communities connected through arts and culture.

Our corporate social responsibility work centers on economic development in the communities we serve and live. We make Work possible by supporting organizations that help small business thrive and people succeed in the workforce, provide pathways to higher education, and teach financial literacy. We make Home possible by supporting efforts that connect individuals and families with sustainable housing opportunities. We make Play possible by investing in community programs that develop ways for children and adults to play and create in venues across the country.

Strong civic connections start with understanding the needs of our communities and deepening relationships in ways that move us all forward. As our neighborhoods face challenges, we look to help address those challenges through employee leadership and volunteerism, financial support of our nonprofit partners, investments in and loans for transformational community projects, and sharing our knowledge through financial education. Our employees form the base for our civic connections. They are inspired and engaged leaders in their communities and offer their time and talent daily. Our Business Resource Groups empower employees to harness what they hear from their clients and community partners and help them mobilize our many resources to lead the way to success.

#### **Community Reinvestment Act (CRA) Plan**

U.S. Bank serves the financial needs of its customers by blending its relationship teams, branches and ATM network with extensive digital tools that allow customers to bank how, when and where they prefer. We strive to provide these services in a fair and responsible manner as a trusted financial partner, which is reflected in our long history of outstanding performance under the CRA. U.S. Bank supports the overall goal of the CRA, which is to encourage banks to help meet the credit needs of the communities that they serve, including low- and moderate-income (LMI) communities, consistent with the banks' safe and sound practices. We strive to earn an "Outstanding" CRA rating and establish goals on an annual basis to achieve this objective.

In 2023, we received the highest rating, "Outstanding," in our Community Reinvestment Act (CRA) examination from the Office of the Comptroller of the Currency (OCC). We also received an "Outstanding" rating on the individual CRA tests for Lending and Investment, and a "High Satisfactory" rating on the Service test.

#### **Racial Equity**

In February 2021, we launched U.S. Bank Access Commitment™, a long-term framework to help build wealth, redefine how we serve diverse communities and create more opportunities for employees, starting with the Black community. U.S. Bank Access Commitment™ builds upon initial commitments we made in June 2020 to ensure our workforce reflects the communities we serve, support Black owned businesses through grants, access to capital and supplier relationships, and support nonprofits and community institutions working toward racial equity. The goal of the U.S. Bank Access Commitment™ is to contribute to closing the racial wealth gap by mobilizing our entire organization to help accelerate wealth building in communities. We started with the Black community because that is where the U.S. racial wealth gap is the greatest (the typical white family has eight times the wealth of the typical Black family). Our efforts support

employees, families and businesses and community institutions. U.S. Bank Access Commitment™ focuses on three primary areas: supporting businesses owned by people of color, helping individuals and communities of color advance economically and enhancing career opportunities for employees and prospective employees. The ongoing work – which includes projects across U.S. Bank’s diverse portfolio of businesses – builds on our 2020 commitment of over \$100 million dollars annually. This work includes increased supplier spend, innovative products and services, transformative customer experiences, and long-term place-based partnerships with the goal of addressing the persistent racial wealth gap. The initial launch of the U.S. Bank Access Commitment™ included:

- A new \$25 million microbusiness fund focused on businesses owned by women of color
- Enhanced mortgage programs focused on homeownership education and hiring
- A focus on building sustained wealth as part of our wealth management business
- Expanded financial inclusion partnerships
- Supply chain financing focused on diverse businesses
- Customized employee leadership development and a change to how we fill open positions

Representing a collaboration between the U.S. Bank Foundation and U.S. Bancorp Community Development Corporation (USB CDC), we launched the \$25 million U.S. Bank Access Fund – a fund that will support more than 30,000 women of color microbusiness owners over three years, prioritizing Black women business owners. A result of consultation with leading nonprofit leaders, who identified barriers for women of color small business owners, the fund was set up to provide capacity building grants, hand-in-hand with capital. The fund includes long-term investments of grants and capital funding to three partners and their affiliates: the African American Alliance of Community Development Financial Institution (CDFI) CEOs, Grameen America and Local Initiatives Support Corporation (LISC). A critical component of this Fund brings together U.S. Bank employees with microbusiness owners. Through our listening and learning sessions, small businesses shared ways in which the bank could further support them through employee engagement. These ways, which we have begun implementing, include coach the coach sessions with U.S. Bank executives, opportunities for peer-to-peer learning among our partners’ staff, and financial education workshops, provided in English as well as in Spanish. 2021 was a year of action, but U.S. Bank’s commitment to listening first remains a priority as we look ahead. We are dedicated to supporting our partners based on their expertise and lived experiences, and funding and engaging based on trust and humility.

Locally, U.S. Bank supports the Human Rights Commission in its work of creating affirming, inclusive and equitable communities, as well as the National Conflict Resolution Center (NCRC), whose mission is to provide the skills and resources needed to address conflict, intolerance, and incivility in society.

### **Community Development Lending and Investment**

The USB CDC is committed to enriching lives and strengthening communities. USB CDC does this by building lasting partnerships with organizations across the country and utilizing federal and state economic development tools to deliver maximum public benefit. A community partner since 1990, USB CDC has committed more than \$37.67 billion of tax credit equity and \$4.62 billion in loans to finance thousands of community development projects across the United States. Our commitment provides capital investments in areas that need it the most, generating and retaining jobs and creating new economic and social activities. It also helps bring back to life some of the country’s most historically significant buildings; supports the development of affordable housing units for low-income families, senior citizens and individuals with special needs; and aids in the creation of clean energy. By partnering with developers, local governments, and community development agencies to structure innovative financing solutions, we create positive, sustainable impact; together, we can make our shared vision for change a reality.

In San Diego, U.S. Bank works collaboratively with nonprofit affordable housing providers and financial intermediaries, including Affirmed Housing, Chelsea Investments, Civic Community Partners, Community HousingWorks, HomeAid San Diego, LISC San Diego (“Local Initiatives Support Corporation”), ReBuilding Together, San Diego Habitat for Humanity, and Wakeland Housing.

## **Mortgage Lending**

The U.S. Bank American Dream mortgage offers eligible homebuyers a mortgage option with flexible mortgage loan terms with a mortgage interest rate that is fixed for the entire length of the loan. Borrowers may be first time home buyer or not. There is a purchase rehab component of the program for up to \$5,000 in repairs. U.S. Bank also works with local governments and organizations with down payment assistance programs and offers a cost assistance program that works like a down payment assistance program. U.S. Bank also partners with local organizations to promote homeownership, most notably as one of the two original participating mortgage lenders in the San Diego Black Home Buyers Program, designed to support generational wealth creation for Black San Diegans through access to homeownership. A collaborative effort of the San Diego Foundation, San Diego LISC and the San Diego Urban League, the program offers up to \$40,000 in down payment assistance to income-qualified borrowers.

U.S. Bank offers a comprehensive suite of digital tools that will benefit homeowners – simple, smart and secure digital applications for home mortgages, home equity loans and home equity lines of credit (HELOCs). The enhanced digital experiences including simplified applications that can be self-guided or completed in consultation with a U.S. Bank professional and capable of generating instant loan decisions. In the case of home mortgage, U.S. Bank was the first lender to go to market with technology which validates both income and assets, determines creditworthiness and renders an immediate credit decision at the time the mortgage application is submitted. More information can be found at [www.usbank.com/home-loans](http://www.usbank.com/home-loans).

## **Small Business**

U.S. Bank is dedicated to small businesses and understands that providing loans and financial education to these businesses is key to helping our communities thrive and grow. U.S. Bank partners with and supports several local organizations and programs that promote business development and lending including Accessity, Asian Business Association, City Heights Community Development Corporation, CDC Small Business Finance, Diamond Business Association, East County Economic Development Council, San Diego County Black Chamber of Commerce, SCORE, South County Economic Development Council, Young Black & N Business and Zip LaunchPad at San Diego State University.

At U.S. Bank, we are focused on economic, community and workforce development as a way of investing in the future of our communities. We help empower people to succeed in the workforce, grow small businesses and gain greater financial wellness. Through our One U.S. Bank approach to communities, by the end of 2021, we had \$1.9 billion in small business administration loans that help business owners expand businesses, start companies, and create jobs.

At U.S. Bank, we work with CDFIs to provide funding to entrepreneurs in underserved communities. CDFIs play a critical role in bringing investment and resources to underserved communities, and those who may not be eligible for traditional small business financing. CDFIs help make people's dreams possible in communities across the country, and we're helping power their potential by providing loans, investments and donations. By the end of 2021, we provided over \$485 million in capital to CDFIs.

U.S. Bank also launched a digital small business lending option in 2018 where businesses can apply for a loan and/or a line of credit. Single-owner businesses within U.S. Bank's footprint can qualify for up to \$250,000 through the all-digital process. Applications can be completed on any device – mobile, tablet or computer – and if approved, it will allow the borrower to review their loan details and electronically sign their closing documents. More information is available at [www.usbank.com/small-business/](http://www.usbank.com/small-business/)

## **Consumer Products**

According to the FDIC, more than 35 million Americans are not fully using the banking system and are considered

unbanked or underbanked. In 2016, we introduced the Safe Debit Account, which offers key benefits of a traditional account without checks or overdraft fees and demonstrates the bank's commitment to provide all customers safe, convenient, and affordable access to financial services. Then, in 2018, we launched a small-dollar loan product called U.S. Bank Simple Loan, which is designed to help customers deal with unexpected or short-term cash needs with a transparent, easy-to-understand installment loan. Based on a Pew estimate, the cost of an average \$400 payday loan is \$350, while our customers pay an average of \$48, resulting in savings of \$12 million for customers.

U.S. Bank's Safe Debit Account is a "checkless checking" product we offer consumers, which meets the Bank On National Account Standards developed by the Cities for Financial Empowerment Fund (CFE Fund). This service outlines the features of products that would be "safe" for consumers who have historically been outside of traditional banking.

U.S. Bank participated in a pilot program run by the Federal Reserve of St. Louis to test a common data collection method across banks that have products meeting the Bank On standards. Through this effort, we helped to define a common format and reporting frequency that supports community partners across the country in their efforts to measure success in their work to build financial empowerment in their communities.

In addition, U.S. Bank offers Individual Development Accounts (IDAs), restricted savings accounts designed to help people with no (or minimal) assets accumulate savings toward a predefined goal within a set period of time. IDAs are a powerful tool used by community organizations to stimulate participants' savings rates, build their assets, and connect individuals to the economic mainstream by building a relationship with a financial institution.

In partnership with Wakeland Housing, U.S. Bank offers an IDA program for income-qualified residents of Wakeland multi-family affordable rental communities. Now in its sixth year, participants commit to save \$25 - \$50 a month for nine months, matched up to \$500. In addition to meeting each month's savings goal, participants are required to attend monthly financial education workshops, co-led by U.S. Bank and Credit.org. Funds can be used for creating an emergency fund, college tuition, or down payment on a vehicle.

## **Financial Education**

Financial empowerment begins with financial education. U.S. Bank strives to help develop and strengthen communities by creating opportunities and resources to guide individuals in making informed financial decisions. In During 2021, through our Student Union program, more than 275,000 learning modules were completed.

We believe investing in financial education is an investment in our future. We are committed to supporting our communities by empowering individuals and businesses with financial education through our website, Financial IQ. For more information, we invite you to visit Financial IQ at <https://www.usbank.com/financialiq.html>.

During 2021, we continued with our Financial Wellness Coach programs in Aurora, Colorado, and in the Pullman neighborhood of Chicago in partnership with Operation HOPE. The goal of the program is to increase credit scores, savings and confidence, with an emphasis on serving people of color and underbanked individuals.

In San Diego, U.S. Bank employees lead financial education workshops both in person and virtually for youth in grades K-12, college students and working families and adults in partnership with a range of nonprofits, including Cristo Rey San Diego High School, Compass for Affordable Housing, Junior Achievement, Just In Time for Foster Youth, Logan Heights Community Development Corporation, National University, Lifeline and Washington & Lincoln "Laurels for Leaders" program.

## **Volunteerism**

U.S. Bank encourages and supports employee community involvement through our volunteer program, through which we provide access to benefits and events that support both company-sponsored volunteer activities and individual interests. In 2021 employees donated 267,000 volunteer hours equating to a \$7.6 million investment (volunteer hours estimated at \$28.54 per hour by the Independent Sector).

## **Additional Resources**

Additional information on U.S. Bank's efforts to serve our communities is available in [2021 Community Investments](#), our most recent [Community Reinvestment Act Performance Evaluation](#), and in our [2021 Environmental, Social and Governance Report](#).