



Regional Solutions for Rural and Urban Challenges

Insights #7

Recommendations for Financial Institutions

This *Insights* brief is one of a series produced as part of the *Regional Solutions for Rural and Urban Challenges* project led by LOCUS Impact Investing with funding support from the Robert Wood Johnson Foundation. The project explores the possibility that regional collaboration and solution-seeking can be an effective way of improving social and economic opportunity and health for all people and places within a region. We asked this question: Under what conditions are regional collaboration and solution-seeking approaches most effective in improving social and economic outcomes? We saw this as a counterpoint to the prevailing narrative of growing divisions between rural and urban populations along economic, social, cultural, and political lines.

To advance and support effective regional collaboration:

The Opportunity Finance Network (OFN), the national association of community development financial institutions (CDFIs), together with the Federal Reserve Banks and the Office of the Comptroller of the Currency, should review the Community Reinvestment Act along with other key financial regulations to identify changes that could:

- Stimulate increased bank investments in rural CDFIs and rural markets
- Provide incentives for CDFIs, banks, and other financial institutions to participate in regional collaborative efforts with public, private, philanthropic, nonprofit, and educational institutions, and to support efforts that strengthen rural-urban connections for regional benefit.

In conducting this review, OFN and other partner organizations should convene statewide meetings of CDFIs and other regional entities to assess what state legislatures and agencies can do to achieve a higher level of sustained investment in rural economies and communities.

Please visit <https://locusimpactinvesting.org/what-we-do/rural-work/regional-solutions/introduction/regional-solutions.html> to see all the materials produced for the *Regional Solutions for Rural and Urban Challenges* project.

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