#### Form D: Social Responsibility

(All firms must respond to this section. Please limit your answers to Form D to no more than 20 pages.)

* 1. **SOCIALLY RESPONSIBLE BANKING & PAYMENT SERVICES**

In addition to identifying financial institutions with the proven financial strength and ability to provide sound banking services to the City and County of San Francisco as a client, the City and County is striving to partner with an institution that has a commitment and dedication to the communities we serve. The Office has a responsibility to ensure that public funds are secured with a fiscally sound and healthy institution, as well as with one that is committed to community reinvestment and socially responsible banking practices.

Respondents to this RFP are required to articulate how their respective institutions have encouraged equitable economic opportunities for local businesses and citizens, especially low-income communities and communities of color, by providing a narrative that demonstrates the Respondent’s efforts to incorporate social responsibility and provide the information below.

* 1. **REQUESTED INFORMATION**

1. **CRA Rating**

Provide a statement indicating the CRA rating and performance evaluation published by the respective Federal financial supervisory agency, including overall CRA rating as well as CRA rating for primary rating area that encompasses the City and County of San Francisco.

1. **Socially Responsible Banking Data**

Complete the table “Socially Responsible Banking Data” (Appendix C). Provide this completed table as a digital excel file.

1. **COVID-19 and Crisis Response**

As COVID-19 continues to ravage the health and economic security of millions of Americans, it is critically important to evaluate the relief efforts offered by financial institutions. The San Francisco Office of Financial Empowerment recently released a report in collaboration with the California Reinvestment Coalition, “[Pre-Existing Conditions: Assessing the Financial Services Response to Racism, Inequality, and COVID-19](https://sfgov.org/ofe/sites/default/files/2020-09/TTX%20Banking%20Relief%20Report%202020.pdf),” which highlighted issues with customers accessing relief and provided recommendations to banks, credit unions, and policymakers. Provide information and data that describes how Respondent has provided relief to bank customers:

* 1. Access to relief: provide information that describes accessibility of banking relief, including how banking relief is being communicated (websites, email, mail, other communications) and how customers access relief (process and requirements).
  2. Retail banking relief: provide an overview of relief that is available to retail depository customers, including suspending/waiving/reimbursing fees; stopping negative credit reporting; offering free check cashing; and maintaining or improving online and branch access.
  3. Borrower protections: provide an overview of relief available to borrowers, including suspending or deferring loan repayment (home, small business, credit card, auto loan); providing mortgage forbearance and halting foreclosure, eviction, and repossession activities; ending high-cost consumer lending and providing affordable and responsible small dollar credit.
  4. Community reinvestment: provide an overview of crisis relief delivered via community reinvestment initiatives and funding, including investments, loans, and grants that support affordable housing stability and BIPOC individuals, business owners, and communities.

1. **Subprime Lending, Fringe Financial Services, and Use of Sales Incentives.**

The Treasurer’s Office seeks to identify and evaluate subprime financial products and services offered by Respondent, either directly or indirectly.

* 1. Subprime Lending and Fringe Financial Services: Does respondent issue high-cost, subprime loans directly? Does respondent have ownership or investments in, or make referrals to, entities that offer high-cost, subprime lending products? Describe all relevant subprime and fringe financial products, and include the following in your response:
     1. Direct issuance of, as well as ownership or investments in, high-cost subprime small business credit products, such as loans or merchant cash advances?
     2. Direct issuance of, as well as ownership or investments in, high-cost subprime consumer loan products or fringe financial services, such as payday loans, installment loans above 36% APR, or check cashing services/outlets?
     3. Does Respondent facilitate so-called “rent-a-bank” loans, whereby banks buy loans or otherwise partner with non-bank lenders in a way that allows the importation of out-of-state interest rates higher than allowable by California law?
  2. Overdraft
     1. Provide your institution’s overdraft policies, including:
        1. Identify and describe fees charged for overdraft and non-sufficient funds (NSF) fees.
        2. Identify and describe of any extended overdraft fees.
        3. Describe how your institution processes customer transactions and whether your institution reorders transactions or processes them chronologically.
        4. Describe how overdraft programs and fees are explained to depository customers, including examples of relevant marketing and opt-out materials.
     2. How many depository customers (number and percentage) have opted out of overdraft?
     3. Provide total 2019 revenue from overdraft and NSF.
     4. Describe practices and procedures in place to help customers experiencing large numbers of overdraft and/or NSF fees and penalties transition to a more advantageous (i.e. overdraft-free) account.
  3. Sales Incentives and Compensation Practices
     1. Describe Respondent’s incentive compensation practices and policies. Include information about how employees are incentivized through sale or referral of mortgage loans and home equity lines of credit, small business loans or other products, personal loans or lines of credit, and depository banking products.

1. **Corporate Citizenship**

Through this RFP, the Treasurer’s Office is not only looking for a financial institution with which to partner to provide quality treasury solutions to meet the City’s banking needs, but also for a partner institution that has a demonstrated record of commitment toward good corporate citizenship. The City’s goal is to identify a business partner which seeks to make a positive impact on society through its activities and is committed to improving neighborhoods. The Treasurer’s Office will also utilize Environmental, Social, and Governance (ESG) data from third-party sources in evaluating corporate citizenship.

* 1. Enforcement Actions and Legal Issues
     1. Pending Enforcement Actions: To the extent permitted by law, respondents must provide a statement disclosing any pending investigation and enforcement action undertaken by federal, state or local agencies against the Respondent. Furthermore, during the period of submission and review of the responses to this RFP, Respondents are required to disclose to the City any public enforcement action undertaken by any federal or state agency against the Respondent within ten (10) days after an action is taken or a fine is imposed.
     2. Recent Enforcement Actions: To the extent permitted by law, respondents must provide a statement disclosing any enforcement action undertaken by federal, state or local agencies against the Respondent in the past five (5) years.
     3. Recent Fines or Penalties: To the extent permitted by law, respondents must provide a statement disclosing any fines or penalties assessed by federal, state or local agencies against the Respondent in the past five (5) years.
     4. Employee Legal Issues: Disclose and explain any significant negative events involving Respondent’s employees in recent history, including criminal charges, civil litigation, or administrative actions involving allegations of securities or banking law violations during the past five years. Provide comment on the resolution and/or status of the actions.
  2. Environmental Justice: The City and County of San Francisco seeks to reduce or eliminate the disproportionate impact of environmental hazards on people of color. Environmental justice is a response to environmental racism, which refers to the institutional rules, regulations, policies or government and/or corporate decisions that deliberately target certain communities for locally undesirable land uses and lax enforcement of zoning and environmental laws, resulting in communities being disproportionately exposed to toxic and hazardous waste based upon race.
     1. Provide information on loans or investments in polluting industries, including but not limited to coal, oil and gas, and hazardous waste facilities.
     2. Identify any loans or investments in oil well permits or hazardous waste facilities located within ten miles of residential communities.
     3. Identify and describe any loans or investments in pipeline projects that violate sovereign indigenous rights (for example, Dakota Access Pipeline or Keystone XL pipeline). [San Francisco City and County Resolution No. 465-16](https://sfbos.org/sites/default/files/r0465-16.pdf), adopted by the Board of Supervisors in November 2016, describes the Board of Supervisors’ support for the Standing Rock Sioux Tribe’s opposition to the construction of the Dakota Access Pipeline.

1. **Community Reinvestment**

The Treasurer’s Office seeks to understand how Respondent’s financial products and services meet the needs of underserved San Francisco households, businesses, and communities. We will also evaluate Respondent’s reinvestment activities that support goals of equitable economic development and economic opportunity for all San Franciscans. Those goals are promoted by prioritizing access to products and services as well as investments in low-income areas that help spark economic revitalization while preserving commercial affordability. The San Francisco Office of Financial Empowerment recently released a report, “[Systemic Barriers to Banking the Unbanked](https://sfgov.org/ofe/sites/default/files/2020-12/TTX%20Barriers%20to%20Banking%20Report_v4.pdf),” outlining significant and systemic barriers to financial access – and opportunities to remove these barriers and increase mainstream financial access.

* 1. Current Community Reinvestment Activities
     1. Lending Initiatives Targeting Low-Income and BIPOC Communities
        1. How does your lending portfolio provide:
     2. Flexible underwriting and affordable loan terms for low- and moderate-income home mortgage borrowers?
     3. Flexible underwriting and affordable loan terms for small businesses with under $1M in annual revenue?
     4. Credit access to small businesses with less than $500K in annual revenue,
     5. Credit access to black, indigenous, and people of color (BIPOC) – owned small businesses
        1. Does Respondent have formal referral relationships with CDFIs, community development credit unions, or other nonprofit lenders that facilitate credit access for customers whose loan applications are denied? Describe these relationships and indicate the percentage of loan applications that are referred through these relationships.
     6. Retail Banking Services: The Treasurer’s Office will review the Respondent’s record of delivering depository banking services in low- and moderate-income communities. Provide the following information to allow the Treasurer’s Office to review your record of community banking services:
        1. Identify any efforts or business products designed for the following consumers: un-banked or under-banked; elderly; youth; low- and moderate-income; and BIPOC residents. Include in your response whether your institution offers a Bank On certified checking account, and all institutional efforts to promote Bank On certified accounts.

1. Provide your institution’s policy for account screening using consumer credit rating agencies (i.e., ChexSystems, Early Warning Systems). Does your institution offer second chance checking accounts or similar products that provide accounts to customers with a Chex System history, other than in cases of actual, verified fraud?
2. Describe how consumers can resolve errors or negative banking history in order to open an account with your institution or otherwise clear their record.
3. Provide your institution’s policy for acceptance of alternative IDs as a primary means of identification to open accounts. Include a comprehensive list of all accepted forms of primary identification.
4. Does your institution offer non-custodial accounts for youth under age 18? If so, please describe who is eligible and what identification is accepted to open these accounts.
   * + 1. Describe how the institution provides notices for branch closures and provide a copy of the most recent branch closing policy.
       2. Describe the availability and effectiveness of alternative systems for delivering retail banking services to low-income communities and communities of color, such as Automated Teller Machines (ATM), mobile and online banking, loan production offices, and bank at work programs, especially for residents without nearby branch access.
       3. Describe how branch and other customer service staff are culturally competent, provide in-language support for non- or limited-proficiency English speakers, and are representative of San Francisco’s population.
       4. Describe how Respondent provides written materials that meet the language needs of non- or limited-proficiency English speakers, including websites, product descriptions, terms and conditions, and contracts.
     1. Community Reinvestment Activities
        1. Provide an overview of Respondent’s community reinvestment efforts and activities. Highlight current initiatives and areas of focus and provide examples that demonstrate commitment to community reinvestment activities and investments in San Francisco, especially community reinvestment activities that are targeted toward BIPOC individuals, business owners, and communities.
        2. Provide an overview and examples of Respondent’s efforts to provide investments or loans to CDFIs, minority- or women-owned financial institutions, and low-income credit unions serving San Francisco residents. Include relevant strategies/activities to meet local needs related to affordable housing, small business lending/technical assistance, and other financial inclusion goals.
        3. Describe any initiatives focused on investments and/or flexible credit vehicles for CDFIs with smaller asset size or less than ten-year track record.
        4. Provide an overview of Respondent’s grantmaking to CDFIs. Highlight in your response grants and initiatives that primarily target underserved San Francisco individuals, small businesses, and communities, including grants to smaller or newer CDFIs.
        5. Describe financing policies and practices intended to mitigate the impact of displacement occurring in San Francisco communities.
5. Does Respondent underwrite for housing loans, including single and multi-family housing, based on current rents or future rents?
6. Identify investments in San Francisco affordable housing, including low-rate loan products that help nonprofit developers, community land trusts and other organizations to purchase multi-family buildings at risk of flipping or with expiring affordability contracts, as well as single-family REOs and other housing units that can provide affordable housing options.
   1. Community Reinvestment Plan It is the intent of the Treasurer’s Office to require each entity contracted to provide banking services to submit a bi-annual Community Reinvestment Plan for lending, investing, philanthropy, and retail banking services to San Francisco communities. Institutions will work with the Treasurer’s Office to develop these Plans, which will be made available to the public. Progress against goals set forth in the Community Reinvestment Plan will be reviewed annually. **Describe how Respondent will work with the City and County of San Francisco to develop and implement Community Reinvestment Plans that maintain or increase lending, investments, and banking services in San Francisco, while aligning community investments with local needs through a collaborative planning process.** Respondents do not need to answer each question separately, but should ensure that that responses include information on the following:

i. Summary – Describe your institution’s commitment to strengthening and increasing community reinvestment in San Francisco through this Community Reinvestment Plan. Indicate how your institution will work collaboratively with the Treasurer’s Office and its partners to expand financial inclusion and better meet the unique needs of low-income and BIPOC individuals and communities in San Francisco.

ii. Lending

* 1. Describe commitment and specific strategies to increase equitable access to small business, home, and consumer loans for residents in low- and moderate-income neighborhoods
  2. Describe commitment and specific strategies to minimize loan delinquencies, defaults, foreclosures, and repossessions

iii. Investments

1. Describe commitment and specific strategies to increase and/or target community investments that benefit LMI neighborhoods and communities of color, including loans, grants, and investments for affordable housing, small business development, economic development, and community facilities.
2. Describe commitment and specific strategies to increase community investments in CDFIs that deliver responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.

iv. Banking Services

1. Describe commitment and specific strategies to provide enhanced access to banking services by retaining and opening new bank branches and creating or improving alternative systems for delivering retail banking services (including online account opening and ATM locations) in LMI neighborhoods.
2. Describe commitment and specific strategies to facilitate youth banking access, especially by offering non-custodial bank accounts for youth under age 18.
3. Describe commitment and specific strategies to gain and maintain certification of safe and affordable bank accounts through the National Bank On Standards.
4. Describe commitment and specific strategies to promote Bank On certified accounts to LMI and BIPOC consumers in San Francisco.
5. Describe commitment and specific strategies to reduce barriers to banking, including adapting ID requirements and use of consumer account screening credit rating agencies (e.g., ChexSystems), as well as culturally competent customer service.
6. Describe commitment and specific strategies to develop and market affordable small-dollar consumer loans as well as affordable check cashing and other transactional services (such as money orders and bill pay).

v. Targets/Benchmarks

1. Provide the most recently available ratio of qualifying community reinvestment dollars in San Francisco to total bank deposits in San Francisco.
2. Indicate if Respondent is willing to commit to meeting or exceeding peer benchmarks for community reinvestment in San Francisco.
3. Indicate if Respondent is willing to commit to increasing total qualifying community reinvestments ($) by 10-15% over two years.
4. Indicate if Respondent is willing to commit to increasing lending in LMI census tracts by 10-15% over two years.
5. Indicate if Respondent is willing to commit to increasing
6. Describe commitment and specific strategies to increase referral relationships and percentage of loan applications referred to affordable nonprofit lenders (including small business and mortgage loans).