National Bankers Association 2023 Annual Report

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Dear Members, Partners, and Stakeholders,

At the National Bankers Association our mission hasn’t changed since our doors opened more than 96 years ago – however, our approach to tackling our country’s economic inequities is ever evolving. And so, as 2023 has come to an end, we are delighted to reflect on the remarkable achievements and advancements we’ve made throughout the year. It is with great pleasure that we present to you our end-of-year annual impact report, encapsulating our collective journey and triumphs.

In our relentless pursuit of magnifying our impact, we onboarded several key in-house team members, enriching our organizational capacity and fortifying our programmatic endeavors. Additionally, we welcomed eight new minority banks as members, further growing our family and diversity.

This year’s report illustrates how we’ve bolstered our programs, from spearheading technology modernization to championing green and climate finance initiatives. Furthermore, it showcases our unwavering advocacy efforts in support of our member banks, both in the halls of Congress and within other regulatory agencies.

In tandem with our primary mission, our nonprofit affiliate, the National Bankers Association Foundation (formerly National Bankers Community Alliance), has continuously enhanced its programs, steadfastly aligning with our four strategic pillars: Financial Wellness, Small Business & Entrepreneurship, Research & Impact, and Collaboration & Capacity. Our flagship technology initiative, MDI ConnectTech, has seen significant strides, having completed comprehensive assessments and technology evaluations of our 15-bank cohort. Our compliance and impact reporting tool, EquityEQ, is enhancing the ability to streamline lending and deposit data and providing critical insights into the households, businesses and communities that our members serve.

The financial services industry is undergoing perpetual evolution, and we recognize the importance of staying ahead of emerging trends. Our commitment to delivering unparalleled value to our members and assuming a thought leadership role in the industry remains unwavering. We are thrilled to share our progress with you and express our heartfelt gratitude for your invaluable support and steadfast commitment to addressing our nation’s racial wealth gap. Together, we are making meaningful strides towards a more inclusive and equitable future.

Thank you for your continued partnership.

Sincerely,

Nicole Elam, Esq and Robert E. James, II
INTRODUCTION

The National Bankers Association is the leading trade association for Minority Depository Institutions (MDIs) whose membership includes Black, Hispanic, Asian, Pacific Islander, Native American, and women-owned and -operated banks across the country. To support MDIs and the communities they serve, the Association provides public policy advocacy, programs, profile raising opportunities, partnerships, and seeks to increase the profits of member banks.

MDIs are federally insured banks that are at least 51% owned by, or the majority of the board of directors are, minority individuals.

Today, there are 148 MDIs located primarily in the South and along the coasts of the United States with combined total assets of ~$343B.

Many MDIs were built on the shoulders of disadvantaged businesspeople, religious leaders, and community stakeholders, who experienced, firsthand, the impacts of being excluded from basic financial services in their community. The founders of MDIs understood the importance of creating financial institutions to provide homeownership opportunities, increase small business lending, and invest in community development and revitalization as a mechanism to build stable neighborhoods.
Typically, MDIs are located in communities of color that are also designated as low-to-moderate income (LMI) communities. MDIs are often the only providers of capital for home mortgages and small business loans in LMI communities.

The McKinsey Institute for Black Economic Mobility and McKinsey Global Institute estimate that 19% of Black American families - roughly 3.5 million households - have a negative net worth.

“Since the Great Recession, the gap between the black and white homeownership rates in the United States has increased to its highest level in 50 years, from 28.1 percentage points in 2010 to 30.1 percentage points in 2017.” – Urban Institute

Further, according to the Federal Deposit Insurance Corporation (FDIC), nationally, 24.7% of Black households and 24.1% of Hispanic households are unbanked or underbanked, compared to less than 9.3% of White households.

MDIs are well positioned to address the disparities mentioned above. MDIs offer programming to increase financial literacy, consumer loans that help make ends meet for cash-strapped households, and their support for small business and mortgage lending generate new opportunities for wealth-building. To continue the Association’s support of MDIs to serve as capital providers and solution creators, the National Bankers Association Foundation was founded as a 501(c)(3) nonprofit affiliate to provide programs and services to support MDIs and the communities they serve to close the racial wealth gap.
In 2023, the National Bankers Association and its Foundation made significant progress in its mission to advocate for the nation’s Minority Depository Institutions and champion their vital role in eliminating the racial wealth gap. We expanded our internal team, focusing on operational capacity, and revitalized programs to strengthen minority banks and their communities. Our priorities for the year included driving deposits, capital, partnerships, and revenue generating business opportunities to member banks.

Our commitment to drive MDI growth and equity focused on two overarching strategic themes: technology modernization and climate finance. Modernizing the technology of our banks will enable them to accelerate collaboration with impact investors and reach even deeper into their communities to provide wealth building financial services to more households and small businesses.

On the climate front we worked to increase the number of MDIs certified as Community Development Financial Institutions (CDFIs) which is required for them to serve as conduits for their communities to access $27 billion in climate-related funding from the Greenhouse Gas Reduction Fund. Simultaneously, we continued to explore and develop innovative approaches to foster the inclusion of green and climate-focused small businesses in addressing the needs of low-to-moderate income communities and communities of color. As always, advocacy remained central to our work as we championed the interests of our member banks with policymakers. While we have achieved monumental progress and significant wins in 2023, we recognize that the journey is ongoing, and embrace the opportunities and challenges before us by setting audacious goals for 2024.
New Team Members

In 2023, we successfully and strategically expanded our team. We onboarded:

- Chief Operations Officer
- Deputy Executive Director
- Communications Director
- Research Manager
- Grants Manager
- 3 Program Directors

This infusion of diverse talent strengthened our Association and Foundation’s capacity to consistently deliver on our critical initiatives. These key hires represent a commitment to greater operational efficacy, allowing us to accelerate innovation and magnify our members’ impact for the communities that need it the most.

2023 Annual Conference

“Emerging Trends: The Changing Face of Banking”

Our sold-out annual conference was a resounding success, bringing together leading policymakers, member banks and strategic partners in a collaborative forum. This year’s theme was “Emerging Trends: The Changing Face of Banking.” Distinguished speakers included the heads of the Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC) and Consumer Finance Protection Bureau (CFPB), as well as appointees from the U.S. Treasury Department and executives from the Federal Reserve. Their steadfast support and earnest engagement with MDIs enriched the conference experience and fostered meaningful conversations and a dynamic exchange of ideas. Insight-filled panels covered topics including artificial intelligence, fintech, deposit and capital strategies, and climate transition finance. The success of the conference highlighted the importance of collaboration across sectors and institutions, setting the stage for continued collaboration with the National Bankers Association. A full recap of the conference can be found here.
Membership

In 2023, we welcomed eight new members, including:

ANCHOR BANK
CITIZENS BANK of EDMOND
People’s Bank of Alaska
EMBASSY NATIONAL BANK
PARAMOUNT
Sunstate Bank
TIOGA FRANKLIN SAVINGS BANK
AllNations Bank

The addition of these banks significantly expanded our community’s diversity. Our growth in membership reflects the value our member banks realize through the information and services provided by programming and the partnerships fostered by the National Bankers Association.

To deepen member communication, we established a Quarterly Member Webinar, and hosted 23 “Coffee & Conversations”, a bi-weekly webinar on industry hot topics, emerging business and partnership opportunities, and the Association’s work. We also facilitated profile raising opportunities and communications through in-person visits, press releases, media engagements, social media marketing, and strategically placed exhibitor booths at various industry conferences. This approach highlights our commitment to a dynamic and inclusive membership base.
TECHNOLOGY – MDI CONNECTTECH

We made significant progress in our strategic initiative to help minority banks digitally modernize by establishing a dedicated Program Management Office with committed Program and Technology Directors. Major program milestones achieved include:

- Recruited 15 MDIs for the MDI ConnectTech Cohort.
- Selected Cornerstone Advisors as our Technical Assessment Provider.
- Launched a rigorous technology assessment for participating banks.
- Explored delivering suite of shared technology solutions to facilitate automated lending and digital payments, benefiting banks’ internal efficiency and external reach.

CLIMATE FINANCE

During the COVID-19 pandemic, MDIs played a critical role, extending financial lifelines of over $16 billion in Paycheck Protection Program (PPP) funds to more than 270,000 small businesses in all 50 states.

This data underscores the unique role that MDIs play in promoting economic resilience and prosperity in some of the most marginalized and hardest-to-reach communities in the U.S. These same communities are at the sharpest intersection of vulnerability to climate-related disasters and the negative impacts of global warming. In recognition of this vulnerability the U.S. Environmental Protection Agency (EPA) has allocated $27 billion in funding through the Greenhouse Gas Reduction Fund to help meet the need of LMI communities in the coming decade. MDIs are ideal conduits to channel funding to small businesses in these communities to build capacity and wealth as the communities pursue climate resilience, adaptation, and mitigation strategies.
However, of these 148 MDIs, 109 are not directly eligible for the EPA’s funding because they are not certified as CDFIs. The National Bankers Association Foundation is working to help these 109 MDIs become and maintain CDFI certification, which will qualify them to help channel the $27 billion in EPA funding to the minority and LMI communities they serve. We’ve partnered with subject matter experts to strengthen and accelerate our climate finance efforts through training and support from consultants. This engagement catalyzes a sustainable future, enabling communities to actively participate in mitigating the effects of climate change, and empowering small business owners to create jobs and build wealth in their communities.

“79% of loans at MDIs went to minority or Low and Moderate Income (LMI) communities versus only 47% at non-MDIs.”

– Report: Analysis of 2022 MDI Lending, National Bankers Association

ADVOCACY

The legislative landscape for MDIs saw notable developments, with significant MDI legislation having been introduced in the House and currently pending in the Senate. Additionally, there was progress on the Community Development Financial Institutions (CDFIs) Tax Credit Act of 2023, which was introduced in the Senate.

The active engagement of National Bankers Association leadership in congressional hearings on FDIC insurance reform and open banking underscored our commitment to shaping policy. Other noteworthy achievements include successful meetings with senior government officials, including senior staff and leadership at the White House, Federal Housing Finance Agency (FHFA), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Consumer Financial Protection Bureau (CFPB), Small Business Administration (SBA), Federal Reserve, U.S. Treasury Department, and the Department of Transportation.
These engagements extended to productive meetings with Members of Congress and senior committee staff.

The Association’s advocacy efforts are evident in letters and comments to Congress and the Administration, addressing diverse topics ranging from:

- Staffing concerns at the OCC and FDIC
- Inclusion of MDIs in infrastructure spending plans
- Interchange rate changes
- Overdraft fees
- Section 1071 of the Dodd-Frank Act reporting
- Community Reinvestment Act Reform
- CDFI Recertification
- Basel III
About Us

The National Bankers Association Foundation, the 501(c)(3) arm of the National Bankers Association, provides free programs and services to support MDIs and the communities they serve.

Financial Wellness
Develop innovative financial education programs and services that benefit households, small businesses, and nonprofits.

Small Business & Entrepreneurship
Empower minority-owned businesses through capacity building and capital access for effective competition and entrepreneurial growth.

Research & Impact
Publish innovative sector research to drive responsive solutions, policies, and products, advocating for marginalized communities and reducing the racial wealth gap.

Collaboration & Capacity
Enhance collaboration and capacity building, boosting operational efficiency, expanding capital access, and amplifying policy influence.

Click here for our latest Research and Resources
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2023 WINS

Rebranded from
National Bankers Community Alliance to National Bankers Association Foundation

Trademarked EquityEQ Compliance & Impact Reporting Tool

Applied for $27B Greenhouse Gas Reduction Fund dollars on behalf of Member Banks

Expanded Team

Obtained new research partners: Chicago Fed, Opportunity Finance Network, Urban Institute, Nasdaq Entrepreneurial Center

Published Four Reports

- Analysis of 2022 MDI Lending
- Research Brief: Managing the Digital Transition in Banking: Challenges and Opportunities for Mission-Driven Financial Institutions
- Minority Depository Institutions Paycheck Protection Program (PPP) Lending Insights

Download Download Download Download
Need help with compliance and impact reporting?

Check out EquityEQ, a new tool offered in partnership with UpMetrics.

EquityEQ transforms lending and deposit data into an impact dashboard that draws on sources like the Census Bureau to display critical insights about the people and places that your financial institution is serving.

To schedule a demo and learn more about how our members are using the tool to simply their data work
OUR SUPPORTERS & PARTNERS

Our success is a testament to the unwavering commitment and generous support of our many partners. We are grateful for the dedicated organizations that join us in our mission. Their steadfast partnership is the foundation for progress, helping us navigate the complexities of the fight for economic justice. Together, we work toward a vision of a more inclusive and prosperous future.

**Grantors**
- Citi Foundation
- Hive Fund
- JPMorgan Chase Foundation
- Robert Wood Johnson Foundation
- Robinhood
- VISA
- W.K. Kellogg Foundation
- Wells Fargo Foundation
- Woodforest Bank

**Strategic Partners**
- American Bankers Association
- Bank of America
- Bank Policy Institute
- Capital One
- Chime
- Citi
- Fifth Third Bank
- Fiserv
- IntraFi
- JPMorgan Chase & Co.
- Mastercard
- MDI Keeper’s Fund
- Moody’s
- Robinhood
- Southern Bancorp
- Truist
- Upstart
- US Bancorp
- VISA
- Wells Fargo

**2023 Conference Sponsors**
- American Bankers Association
- BancAlliance
- Berry Dunn
- BNY Mellon
- Chime
- Elizabeth Park Mgmt.
- FHL Bank of Atlanta
- FIS
- Fiserv
- Graduate School of Banking
- IntraFi
- JPMorgan Chase & Co.
- Kresge Foundation
- Lendistry
- Moody’s | Core
- Nelson Mullins
- OCC
- O’Melveny
- O15
- Robinhood
- TD Bank
- US Bank
- Wells Fargo
- Zelle

**Research Partners**
- Chicago Fed
- Hip Hop Caucus
- John Hopkins Univ.
- Moody’s
- NASDAQ Entrepreneurial Center

**Grantors**
- OFN
- RMI
- TransUnion
- Urban Institute

**Pillar Partners**
- AIR
- iGrad
- Justice Climate Fund
- SCORE Foundation

**Pro Bono Firms**
- Baker Tilly
- Craveth
- Nelson Mullins

**Innovation Council**
- AIR
- Finastra
- Lendistry
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2023 Next Gen Advisory Council

- Stephone Coward II, Co-Chair and Co-Founder, BankBlackUSA
- Karen Goldfeder, Co-Chair and Director, Robinhood
- Kai Cunningham, Co-Founder, Limited Ventures
- Chris Gray, Founder & CEO, Scholly
- Donald Hawkins, Founder & CEO, Kinly
- Rashaad Lambert, Senior Executive Vice President, Forbes
- Daniel Taylor, Co-Founder & CEO, AMP
- Sheena Allen, Founder, CapWay
- Kelly Ifill, Founder & CEO, Guava
- Kori Hale, CEO, CultureBanx
- Joseph Akintolayo, CEO, deposits.com
- Brandon Andrew, Co-Founder & Chief Product Office, Gauge
- Victor Costa, Co-Founder, Limited Ventures
- Brandon Copeland, Former NFL Player & CEO, Athletes.org
- Sasha Stevenson, CEO & Founder, The Pave Group

2023 Innovation Committee

- Alliance for Innovative Regulation
- Finastra
- Lendistry
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