

From: Julie Porter <jporter@dkp.org>
Sent: Wednesday, August 03, 2022 10:10 AM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN 3064-AF81 Comments

RE: CRA Proposed Rule 87 FR 3384 Comments
RIN 3064-AF81

To Whom It May Concern:

DreamKey Partners, Inc. is the largest private non-profit affordable housing developer in Charlotte, NC. We are also a CDFI, a member of NeighborWorks America and belong to the Housing Partnership network of organizations. To date, our organization has built and sold over 500 single family homes for homeownership and over 2,600 units of affordable multi-family housing in the Charlotte region. Our interest in the updated version of the Community Reinvestment Act stems from a need to have continued investment from financial institutions, especially investments targeted to our lines of business (such as LIHTC) and that respond to current market challenges. DreamKey appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPR) which represents the most significant changes to the CRA regulation and exams in 27 years.

We agree that under this rule, CRA will be more effective in monitoring and incentivizing bank lending activity in underserved communities. We are pleased that the improvements in the CRA regulation include increasing the quality of subtests on the CRA exams, expanding geographical areas on CRA exams and collecting more data to scrutinize bank performance. However, the new rules do not sufficiently address several issues.

Measure Bank Activity by Race and Ethnicity: The new rule does not measure inequities in lending by race and ethnicity at a time when homeownership among people of color is declining in many regions, including in Charlotte. CRA must explicitly measure bank activity by race and ethnicity or else these investments will cease to become important factors in bank lending considerations. Although the CRA statute does not mention race, it does require banks to serve all communities, which should allow federal bank regulatory agencies to incorporate race in CRA exams.

Automatic Eligibility for NeighborWorks organizations: The current proposed rule offers an automatic enrollment of activities undertaken with a CDFIs as eligible for CRA credit. We propose that NeighborWorks organizations be considered under similar logic. Similarly, we recommend the agencies extend this treatment to HUD-designated Community Housing Development Organizations (CHDOs), HUD-approved Housing Counseling Organizations, and HUD-approved Nonprofit Organizations.

Inclusion of Low Income Housing Tax Credit (LIHTC) Investments: The current proposed rule does not measure LIHTC investments as an impact factor for CRA. DreamKey depends on financial institution loans and tax credit investments for production of affordable multi-family housing. If it is not measured, it may not be a continued priority investment area.

Thank you for your attention to these items. We look forward to reading the final rule.

Best Regards,

Best regards,



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