To: comments@fdic.gov

Subject: RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations, RIN Number 3064-AF81

To Whom It May Concern:

On behalf of Reinvestment Partners, a nonprofit agency based in Durham, North Carolina and working at local, state, and national levels, I would like to convey my support of the Advanced Notice of Proposed Rulemaking (ANPR) on the Community Reinvestment Act (CRA). We believe that the proposed changes to the Community Reinvestment Act regulations outlined in the ANPR will build upon and enhance the current CRA regulations and not tear them down as the final rule of the Office of the Comptroller of the Currency does.

Reinvestment Partners (RP) is a non-profit 501(c)3 agency, located in Durham, North Carolina, that works to help low-income households gain access to safe and sound financial products. RP's mission is to foster just and healthy communities by empowering people, improving places, and influencing policy. The nonprofit has been engaged in community reinvestment advocacy since 1988 when it was founded as the Community Reinvestment Association of North Carolina to advocate with banks for improved community reinvestment. In the past five years, RP has become more engaged in the intersection of health and community development, working with health providers, health systems, and public and private health payers to address social determinants of health.

The ANPR proposes to build upon the existing CRA exam structure of separate tests for retail and community development activity. Separate tests are needed in order to ensure banks are responding adequately to the variety of local needs. The board is exploring how to create assessment areas, geographical areas on CRA exams that receive ratings, that will capture lending and deposit-taking activity outside of branch networks.

The ANPR follows a final CRA rule issued in May 2020 by the Office of the Comptroller of the Currency (OCC). The OCC's rule would decrease lending, investment and services in low- and moderate-income (LMI) communities by over-simplifying performance measures on CRA exams and broadening what counts on CRA to include activities that either partially or tangentially benefit LMI communities, including infrastructure like major bridges that may not be in or near LMI communities.

RP is actively engaged with health systems and health payers in providing programs that address social determinants as health. RP develops and operates affordable and supportive housing designed to provide high quality, healthy housing for low- and moderate-income families. We also have a healthy homes intervention that addresses in-home environmental triggers of asthma for pediatric and adult patients. RP also runs several Food as Medicine programs, including produce prescriptions, healthy food

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box delivery, and healthy medically tailored meal delivery, across the state of North Carolina in partnership with private payers, Medicaid, health systems, and care management agencies.

As a leader of SDOH interventions in North Carolina, we know that according to research, health outcomes are only a small part due to clinical care and personal behavior, while 60% can be attributed to social and environmental conditions, such as affordable and stable housing, income, job opportunity, proximity to healthy food options and education. Stable housing, in particular, is a cornerstone of optimal health outcomes.

To best promote health, we need healthy housing, steady job growth, decent schools, and green spaces in our communities. A strengthened CRA is needed to encourage banks to make loans and investments for affordable housing, community facilities and local small businesses. While we appreciate the overall approach, we are concerned that the board must ensure its tests and performance measures do not end up replicating the high pass rates and ratings that banks currently receive and that do not reveal significant distinctions in performance. Banks will be encouraged to increase their loans and investments in neighborhoods only if the final regulation produces rigorous exams.

Banks need to be encouraged to work with health partners to address social determinants of health, such as food, housing and transportation, and rewarded for making investments in these systems to increase access and equity for LMI families and communities. Too often the health and finance sectors operate in silos, separate and independent from each other. However, both the health and banking sectors play important roles in improving communities and health.

We would like to see the CRA encourage and incentivize banks to partner with health systems and health providers to make place-based investments to improve access to housing, food, and public transportation. Health providers and systems can provide important insight into community needs and provide essential services for families and individuals but may not have the experience making place-based investments and loans in buildings and infrastructure that impact health. Banks bring the knowledge and experience about how to make place-based investments and loans to benefit communities but may not have as broad a perspective in community health. Health systems are often anchor institutions with significant stakes in their communities but may not have experience in community development financing. Therefore, CRA should acknowledge and encourage bank activities in partnership with health.

For example, RP has partnered with both health systems and banks in our most recent affordable housing developments in an effort to address health through housing. RP is renovating an existing substandard property into 42 units of quality affordable housing. Up to 20% of the units are set aside for tenants with special needs, including those clients of behavioral health managed care organization Alliance Health. Alliance Health has provided grant funding for the project to provide healthy housing to its clients. Similarly, Duke Health has agreed to partner with RP on accepting referrals into its health system and working proactively to improve resident health upon occupancy. Duke has also provided grant funding. The CDFI Self-Help provided acquisition funding and Truist Bank is the permanent mortgage lender. The partnership across sectors has truly made this project possible. Projects like this should be encouraged and incentivized – they are perhaps more complicated, but there is value in

bringing the sectors together and banks should be recognized for that. A CRA that compels banks and health systems to work together will improve the resilience of our communities.

We applaud the proposals to improve the publicly available CRA data. Transparency allows for accountability. We believe community development activities will be increased if banks are held accountable via publicly available data. This data would reveal how many loans and investments banks are making in the various categories of community development compared to their peers.

RP is a community-based organization that has collaborated with both banks and health systems to invest in upstream projects that enhance the social determinants of health for our most vulnerable community members. Banks that we partner with look to CRA credit as added incentive to collaboration. Strengthening CRA offers the potential for greater collaboration between community organizations, hospitals, and banks to invest in and create healthy communities.

We believe that this proposal serves as an important starting point for an interagency rulemaking that will strengthen CRA and take an important step towards more financially resilient communities and an equitable recovery. RP urges the agencies to consider the health of underserved communities as part of a robust CRA examination, both in determining the needs of the community and whether the bank helped meet those needs.

Thank you for providing this opportunity to comment on this critical rulemaking.

Sincerely,

Tanya Wolfram
Director of Programs
Reinvestment Partners