



Acting Comptroller Michael J. Hsu
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

August 3, 2022

Comment on Responding to the OCC, FDIC and Federal Reserve Notice of Rulemaking (NPR)

**RE: Docket ID OCC-2022-0002; RIN 1557-AF15
Docket No. R-1769 and RIN 7100-AG29**

Dear Acting Comptroller Hsu:

Thank you for the opportunity to offer comments on the Office of the Comptroller of the Currency's Advance Notice of Proposed Rulemaking (ANPR) regarding the Community Reinvestment Act (CRA). This NPR represents the most significant changes to the CRA regulation and exams in 27 years. The CRA provides significant resources to the communities we serve. It boosts lending and investment in underserved communities, reduces racial and economic disparities and provides access to needed resources.

HDC MidAtlantic (HDC), founded in 1971 and headquartered in Lancaster, PA, is a nonprofit developer and manager of affordable housing. HDC owns and/or manages more than 3,100 apartments, providing housing that is safe and affordable to those with lower incomes, focusing on seniors, families, and individuals living with disabilities. Serving more than 4,000 residents in 62 communities located in urban, suburban, and rural areas across Pennsylvania, Delaware and Maryland, HDC builds hope and opportunity for all residents to reach their full potential by creating, preserving, and strengthening affordable housing communities.

- **LIHTC as Impact Factor:** HDC has developed strong relationships with over 20 banking partners, such as Fulton Bank, TD Bank, PNC Bank, Wells Fargo and Truist, to create affordable housing through the Low-Income Housing Tax Credit program (LIHTC). LIHTC is one of the most powerful community investments financial institutions can make. The current proposed rule does not include LIHTC as an impact factor for CRA. With rising construction and acquisition costs, we need every "penny" LIHTC investors can bring to the table to close the gaps. HDC proposes to include LIHTC when measuring community impact, as allocations of this housing credit prioritize areas within a state or local jurisdiction that can benefit most primarily from expanding affordable housing options and addressing community need.





- **Automatic Enrollment:** As a NeighborWorks organization, HDC proposes to extend treatment of automatic enrollment of activities undertaken by NeighborWorks organizations as eligible for CRA credit. CDFI have this status and play a key role in community revitalization as an effective driver of capital and are, therefore “would be presumed to qualify for CRA credit given these organizations would need to meet specific criteria to prove that they have a mission of promoting community development and provide financial products and services to low- or moderate-income individuals and communities.” The same can be said for NeighborWorks organizations, therefore extending the same treatment would align with the intent of the modernized CRA rule. HDC also recommends extending this treatment to HUD-designated Community Housing Development Organizations (CHDOs), HUD-approved Housing Counseling Organizations, and HUD-approved Nonprofit Organizations.
- **Public Data:** In addition, we urge you to make data publicly available. CRA changes include significant improvements in data collection requirements for community development activities, deposits, and automobile lending. However, the proposed rule does not require all information to be made public, which will likely limit the accountability of the banks to the public, particularly when determining a bank’s effectiveness in reaching underserved communities. Please expand data collection to all large banks as opposed to the current proposal which only applies to banks with assets of more than \$10 billion in the case of deposits and automobile lending.

We appreciate the opportunity to comment on the NPR. We encourage you to continue to seek ways to strengthen and preserve the CRA as a tool to address inequities in low- and moderate-income and underserved and rural communities now and for many years to come.

Sincerely,



Dana Hanchin
President & CEO

