



August 3, 2022

To: OCC, FDIC, and the Federal Reserve Board

From: The Arc Minnesota

Purpose: Public comment to provide feedback on the overhaul of the Community Reinvestment Act (CRA) rules proposed by federal regulators in early May 2022.

Comment period ending August 5, 2022

The Arc Minnesota appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPR) updating the Community Reinvestment Act (CRA).

Founded by parents of children with intellectual and developmental disabilities (IDD) in 1946, The Arc Minnesota is a statewide nonprofit organization that promotes and protects the human rights of people who have IDD, supporting them and their families in a lifetime of inclusion and participation in their communities. We believe people who have disabilities are inherently strong, powerful, capable, and resilient.

The Statistics and Demographics Annual Report on People with Disabilities in America from 2021 demonstrates that “of the more than 20 million working-age individuals with disabilities, more than 5 million lived in poverty—a rate of 25.9 percent. That’s more than double the poverty rate, 11.4%, of non-disabled working-age individuals in the country. Narrowing this data by region, 26.8% of people with disabilities in the Midwest are living in poverty.”¹ Incorporating people with disabilities in a bank’s responsibilities under CRA will not only help them build wealth, but will help break the cycle of poverty and advance the economic stability and financial health of people with disabilities.

FDIC data has documented people with disabilities are more likely than their nondisabled peers to be unbanked, lack access to credit and be low- and moderate income (LMI). The Community Reinvestment Act can assist moving LMI people with disabilities further up the rungs of the economic ladder with an intentional approach of including LMI individuals with disabilities in the modernization of CRA regulations.

We are pleased that in the definition of “community supportive services” there is included “(7) Activities that benefit or serve individuals who receive or are eligible to receive Federal Supplemental Security Income, Social Security Disability Insurance, or support through other Federal disability assistance programs.” Other examples of federal disability assistance programs that should be listed include Vocational Rehabilitation (VR) services and Home- and Community-Based Services (HCBS) under Medicaid waivers. These examples of services that individuals with disabilities are eligible to receive should serve as proxies for banks to have

¹ “2021 Annual Report on People with Disabilities in America.” Rehabilitation Research and Training Center on Disability, 2021. <https://disabilitycompendium.org/sites/default/files/user-uploads/Events/2022ReleaseYear/Annual%20Report%20---%202021%20---%20WEB.pdf>.

presumptive proof of LMI coverage. It is important to note that it is also presumed that all LMI individuals with a disability receive a federal benefit but that is not the case. Although this Paragraph 7 is one of many examples of groups and activities covered under the new definition of community supportive services, it is at least clear recognition that individuals with disabilities are and should be a target for community development activities including “childcare, education, workforce development and job training programs, and health services and housing services programs that serve or assist low- or moderate-income individuals.”

The Arc Minnesota supports development of a non-exhaustive, but illustrative, list of activities that do qualify for CRA credit. It is important to be clear that activities not on the list do not imply that there are no other activities that would qualify. Although short-lived, the prior OCC list that was a part of the regulations that were withdrawn had multiple examples of qualifying activities that supported individuals with disabilities such as an unsecured consumer loan to a moderate-income individual for household assistive technology products and vehicle modifications to improve accessibility, donations to workforce development programs designed to improve employment opportunities for LMI individuals with disabilities, financial capability training by bank employees to individuals with disabilities.

These examples stimulated discussions and reinforced opportunities for collaboration with banks. Examples included in the first list help reinforce to banks the eligibility and importance of CRA activities that target the disability community.

Community groups be allowed in addition to banks to be able to suggest revisions and additions to the illustrative non-exhaustive list of CRA qualifying activities with justification. Banks should be encouraged to work with community groups and suggest proposals together.

Examiners should make a part of their regular exam routine outreach to historically underserved groups defined by race, ethnicity and/or disability to provide documentation of unmet individual and community needs. Public written and oral comments that provide evidence of patterns (positive and/or negative) regarding access to credit and bank response should be a factor in conclusions for retail lending and services tests.

The Arc Minnesota believes that vibrant communities are best supported when economic opportunities are inclusive of LMI populations, including people with disabilities. Unless the challenges of LMI people with disabilities are intentionally addressed, people with disabilities will be unintentionally excluded from the financial system and overlooked as a target of community development activities.

Thank you for your attention to and support of our comments.

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