



August 5, 2022

RE: NPR Comments for Community Reinvestment Act
OCC: Docket ID OCC-2022-022
FDIC: RIN 3064-AF81
Federal Reserve Board: Docket No. R-1769 and RIN 7100-AG29

To Whom It May Concern:

I'm writing to you on behalf of Gulf Coast Housing Partnership, Inc. (GCHP) in regard to the Notice of Proposed Rule-making for reforming the Community Reinvestment Act (CRA). GCHP, a NeighborWorks affiliate organization, works to create real change through real estate by pursuing residential and commercial developments with transformative potential. Since our founding in 2006, we have worked in partnership in communities throughout the Gulf South to create or preserve over 3,850 affordable homes and over 410,000 square feet of community facilities. The CRA has been instrumental in GCHP's ability to raise and deploy capital and develop meaningful relationships with banking institutions to invest in affordable housing and community developments in underserved communities throughout our service area including Louisiana, Mississippi, Alabama, and Texas.

When considering the most significant changes to the CRA regulation in nearly three decades, we ask that you consider the following additional recommendations as well:

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. According to the regulators, CDFIs 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. 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 include LIHTC as an impact factor for CRA. As an affordable housing developer, we join our national partners in proposing the agencies 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 needs.

Community Development Activities and Assessment Areas: The proposed rule supports allowing consideration of community development activities outside of a bank's assessment area. Because many areas across the nation are remote and far removed from credit opportunities, including many parts of GCHP's service area throughout the Gulf Coast, allowing this flexibility to expand and support affordable housing production and preservation and other community development activities outside of the assessment area will incentivize banks to invest in these high-need remote areas.

Accountability: We support increased accountability of the CRA Exams including *Robust Public Input Mechanisms* and *Making Data Publicly Available*. The creation of a public registry for organizations to sign up for should they wish to be contacted regarding a bank's CRA performance in meeting community needs will significantly enhance accountability. A robust engagement with community organizations by the agencies will display a commitment to accountability from a diverse array of entities and allow public input to remain a prominent factor during CRA performance evaluations. Further, while the agencies' proposal includes significant improvements in data collection requirements for community development activities, deposits, and automobile lending, the proposed



rule does not require all information to be made public. This will likely limit the accountability of the banks to the public, particularly when determining a bank's effectiveness in reaching underserved communities. We join our peers in proposing the agencies 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.

Consider Race and Ethnicity in CRA Exams: The proposed rule suggests using Home Mortgage Disclosure Act (HMDA) data as a tool to produce exam tables describing the lending by race, but that information does not go far enough as it does not contribute toward a bank's rating. Due to present racial disparities in lending, we join our peers in proposing the CRA final rule allow lending examinations by race and ethnicity in geographical areas experiencing discrimination or showing racial disparities in lending activities to be incorporated into CRA exams. The purpose of the CRA was to restabilize capital investment in communities often excluded from banking investment initially caused by racist housing and planning practices, and as such a more robust use of data surrounding impacts regarding race will be a crucial indicator of the effectiveness of this rulemaking and equitable lending.

Thank you for the opportunity to submit comments and for your consideration of these suggestions for the proposed changes to the Community Reinvestment Act.

Sincerely,


Kathleen F. Laborde
President and CEO
Gulf Coast Housing Partnership, Inc.