The Bank of Tampa

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August 5, 2022

Federal Deposit Insurance Corporation
James P. Sheesley, Assistant Executive Secretary
Attention: Comments RIN 3064-AF81
550 17th Street, NW
Washington, DC 20429

Office of the Comptroller of the Currency
Benjamin W. McDonough, Chief Counsel
Chief Counsel's Office
Attention: Comment Processing
400 7th Street, SW
Suite 3E-218
Washington, DC 20219

Board of Governors of the Federal Reserve System
Ann E. Misback, Secretary
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: Community Reinvestment Act – Docket ID OCC-2022-0002 (OCC); Docket No. R-1769 and RIN 7100-AG29 (Federal Reserve); and RIN 3064-AF81 (FDIC)

Dear Mr. Sheesley, Mr. McDonough, and Ms. Misback:

The Bank of Tampa, a $3.3 billion community bank headquartered in Tampa, Florida, is committed to upholding the goals of CRA and meeting the credit needs in the communities we serve and we appreciate the opportunity to comment on the proposed changes to the Community Reinvestment Act (CRA).

In review of the proposed rule, we were pleased to see certain positive enhancements to the regulation (e.g., expansion of community development definitions under the Community Development Financing and Community Development Services tests). However, as a "boots on the ground" implementer of the final rule (as the CRA Officer of The Bank of Tampa), I am concerned, as the benchmarks and evaluation criteria are exceedingly complex.

Under the current rule, it is often difficult to gauge how we may fare in terms of a CRA evaluation. It seems that this will be more so with the proposed rule, as the benchmarks are numerous, weighted, and multi-tiered; some of which are moving targets based on past (dated) peer performance. While complexity in and of itself is not a reason to revisit the evaluation criteria, a multitude of new benchmarks were introduced, and at the end of the day, these lengthy metrics may not tell the full story of a bank's CRA performance.

Simple, clear and straightforward guidance of the evaluation criteria under each test is paramount. It cannot be overstated that the current proposal includes complex rule requirements with multi-step analysis. In addition, it calls for analysis of bank data against local aggregates; however, this data may not be readily available and/or may not span the same time period, which could skew perceptions, particularly in fluctuating economic times. In addition, many data points, such as retail deposits, are not defined. It is also unclear whether certain loans (i.e., renewals, increases, and refinancings) that have counted toward CRA credit in the past would still qualify. Excluding these transactions would not show the full breadth of retail and community development lending by banks.

Easily determinable and understandable thresholds would work best (e.g., A% of Tier 1 capital or B% of average assets on the Community Development Financing Test for a Satisfactory rating or C% of Tier 1 capital or D% of average assets for an Outstanding rating) and help ensure banks are meeting regulatory expectations. Further, guidance should include specifics on how banks are to calculate chosen metrics. For example, it is not clear if there is an expectation for a certain level or mix of investments (including donations) and community development loans (CDLs) within the Community Development Financing Test – Would/could a bank with limited CDLs, but significant qualified investments receive the same credit as a bank with significant CDLs, but nominal qualified investments? If this would make a difference, it would seem to make better sense to evaluate them separately.

As indicated above, metrics alone do not tell a complete story of a bank's CRA efforts. For example, several smaller dollar loans could be more impactful to a community than one large loan. Accordingly, we recommend that the agencies retain performance context in some capacity in evaluating a bank's performance.

Other areas to simplify include the delineation of retail lending assessment areas (RLAAs). As proposed, this will be a complicated and time consuming exercise with results, perhaps, differing year to year as loan totals will likely vary (e.g. could be over/under the threshold from year to year, thus impacting which MSAs would be included as a RLAA). We recommend a more straightforward approach, which, we believe would likely achieve the same result without the need to create and monitor countless lists of loans (broken out between home mortgage and small business loans).

If the agencies are looking to encompass areas outside of traditional assessment areas (facility based assessment areas (FBAA), a "bright-line" test would be preferable (e.g., MSAs in which the bank has a loan production office), versus tracking the number of loans in possibly numerous

MSAs. However, even with such a delineation, if activity outside of a bank's FBAAs is not significant, capturing this information would increase regulatory burden without a compensating benefit for evaluation. Accordingly, we recommend that the final rule provide an exemption from delineating RLAAs if the bank originates (including renewals) or purchases 80% or more of its small business and home mortgage loans in its FBAAs.

A final thought on the proposal – while the FDIC, OCC, and Federal Reserve have jurisdiction to implement the CRA for banks only, we would encourage coordination with the Consumer Financial Protection Bureau on either extending Regulation BB to non-bank lenders or expand their requirements under Regulation B to include community reinvestment responsibilities. For example, when Congress enacted the CRA in 1977, banks comprised the majority of lending activity in the United States. Today, using HMDA data as a proxy, it has dropped to under 50%. Other participants in the commercial and consumer lending space, who have obligations under the other three fair lending laws, should also have responsibilities to support the communities they serve, and be evaluated accordingly, as banks do under the CRA.

We appreciate the opportunity to provide comments and are hopeful you will consider our concerns and recommendations when crafting the final rule.

Sincerely,

[redacted]

Maureen K. Busch
VP/Compliance and CRA Officer