



August 4, 2022

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

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

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, suite 3E-218
Washington, DC 2021

Via Federal eRulemaking Portal – Regulations.gov

Re: RIN 1557-AF15; RIN 3064-AF81; RIN 7100-AF[•]

Ladies and Gentlemen,

On May 5, 2022, the Office of the Comptroller of the Currency (“OCC”), the Board of Governors of the Federal Reserve System (“The Board”), and the Federal Deposit Insurance Corporation (“FDIC”) (collectively, “the agencies”) promulgated a Notice of Proposed Rulemaking, proposing major revisions to the implementing regulations of the Community Reinvestment Act.

The following includes guidance as well as possible statements for your consideration.

I am the Chief Compliance Officer for a \$1.5B community bank in West Texas. We have 9 branches and three LPOs. Four of our branches are in rural communities. I also serve as the CRA officer and have done so for the past 27 years. Prior to that, I was an examiner with the OCC. I've seen many changes in most all regulations during my career. We compete with many other financial institutions in each of our markets including mega banks, credit unions and other community banks as well as a host of non-bank financial institutions. Without a doubt, community banks sustain our local communities with lending to consumers, farms, businesses of all sizes and mortgages. We also support our community organizations with investments, donations and with our continual participation by our employees in more community support

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organizations than you can imagine. Our bank leadership allows all employees to take bank time to volunteer for whatever organization of their choosing. For community banks to be successful they MUST be an active part in their communities, whether it is mandated by regulation or not. Community banks understand their role in the success of the communities they serve. We do the right things for the right reasons.

The current CRA works. I would suggest adding some clarifications like the examples of what qualifies for CRA credit and providing some simplified benchmarks to achieve certain ratings. Banks ARE MEETING THE NEEDS OF THEIR COMMUNITIES. There is no benefit to the very communities the CRA is intended to benefit to cause more banks to fail the CRA test. Failure will result in diverting bank resources to compliance with a burdensome regulation instead of supporting LMI people and geographies.

The addition of the retail test adds another layer of data collection burden at the same time we are going to implement the small business data collection under Dodd-Frank – 1071. Implementing these processes, training, testing, and monitoring will add hundreds of thousands in costs to our bank. We will have to add operations staff and compliance staff.

Asset Thresholds Should Be Adjusted

We appreciate the increases in the asset thresholds for small banks. However, the buckets started from the truly small caps currently in place. We strongly recommend that “small” should be set at \$1 billion in assets and “intermediate” at \$10 billion.

CRA-Qualifying Activities Should Be Expanded and Consistently Applied.

This part of the proposal should be retained. We’ve long needed a list of qualifying activities to avoid inconsistent treatment from one exam to the next. I support the expanded definition to community supportive services to include general welfare activities

Assessment Areas

Designating an entire county for assessment areas works for my bank at the present time, but it will not work for many other banks. There are community banks across the county that could not serve an entire county but can reasonably serve census tracts near their offices.

Small business loans

Whatever definition you land on, it should be the same as that in 1071. Keeping data based on two thresholds would be insane.

Credit for Activities Outside CRA Assessment Areas

One significant positive change proposed would allow banks to get credit in their CRA exams for investments and other activity outside their assessment areas but benefit LMI populations,

which are now limited to physical branch networks. We have difficulty finding qualified investments in our rural and small MSA areas. This will help us meet that test.

Data collection and benchmarks

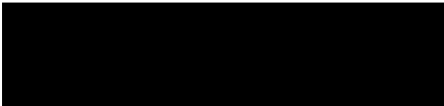
The calculations and benchmarks proposed are complex. I urge you to revisit these.

Transition

The proposal could impose an applicability date of 12 months after publication. Meanwhile, a final rule under section 1071 is pending and would also affect data collection. Twelve months is not sufficient time to implement both data collection requirements.

In summary, by and large community banks are meeting the credit needs of LMI people in the communities we serve. The existing regulation is effective. I urge you to reconsider this attempt at modernization.

Respectfully submitted,



Wendy L. Curry
Chief Compliance Officer
FirstBank Southwest