August 18, 2025

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Jennifer M. Jones
Deputy Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
RIN 3064-AG13

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219
Docket ID OCC-2025-0005

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551
Docket No R-1869; RIN 7100-AG95

Re: Community Reinvestment Act: Notice of Proposed Rulemaking and Request for Comment

Dear Ladies and Gentlemen:

Comenity Capital Bank ("CCB" or the "Bank") thanks you for the opportunity to submit comments to the Joint Notice of Proposed Rulemaking, issued on July 18, 2025, by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation ("FDIC") and the Office of the Comptroller of the Currency (collectively, the "Agencies"), proposing to amend the Community Reinvestment Act ("CRA") regulations by rescinding the final rule issued by the Agencies on October 24, 2023, published in the Federal Register on February 1, 2024, and effective April 1, 2024 (the "2023 Rule"), and replacing it with the 1995 framework in effect March 29, 2024.

CCB is a Utah industrial bank headquartered in Draper, Utah, with total assets of approximately $12.9 billion. CCB is supervised by the Utah Department of Financial Institutions, as its chartering authority, and by the FDIC, as its primary federal regulator. Its primary business is offering consumers revolving private label credit cards and co-branded credit cards. CCB has also expanded its product offering to include split-pay installment loans, as well as direct -to-consumer lending and payment products, including debt consolidation products and proprietary credit cards. CCB takes consumer deposits on a nationwide basis via the internet. CCB does not have any branches, ATMs, or physical deposit taking facilities.

CCB is evaluated under the Strategic Plan option and received an “Outstanding” rating from its most recent CRA examinations for its lending, investment and grant activities in the community in which it operates. We are affirmatively proud of our work and investments in our community and are committed to an active and engaged partnership in CRA activities with our community.

The Bank is in favor of rescinding the 2023 Rule and reinstating the 1995 framework which will provide a measure of certainty and allow banks to focus on fulfilling the spirit of the CRA. While the Bank agrees that the CRA and its implementing regulations should be updated and commends the Agencies on their efforts, the 2023 Rule is long, unnecessarily complex, difficult to interpret and implement, and would result in steep compliance costs without a corresponding benefit.

In general, the Bank supports the comments submitted by the American Bankers' Association and directs you to their comment letter for a deeper understanding of the impact the 2023 Rule would have on all banks, including industrial banks such as CCB; however the Bank would like to emphasize the following:

- The 1995 framework is consistent with Congressional intent to focus on the “credit” needs of the community whereas the 2023 Rule departs from the statute's explicit direction by assessing Large Bank's on their “deposit” products.
- Congress limited CRA evaluations to the geographic areas in which a bank maintains physical offices and accepts deposits. The 2023 Rule creates additional Retail Lending Assessment Areas (“RLAA”) and Outside Retail Lending Areas that have no connection to a bank's physical deposit-taking locations.
- The 2023 Rule does not give banks fair notice regarding what market benchmarks they must meet in order to earn a “Satisfactory” or an “Outstanding” rating. The benchmarks are a significant departure from the 1995 framework, essentially grading banks on a “curve” which does not happen in any other banking regulations. The market lending benchmarks are peer-based standards that cannot be known until after the evaluation period ends and all banks have publicly reported their data. Banks are forced to compete against each other for ratings and are left to guess whether their CRA lending is sufficient. For some banks, achieving these benchmarks may be economically untenable; other banks may feel pressure to engage in risky lending.
- Whether intentional or not, the 2023 Rule will affect bank strategy. Some aspects may impact how banks are able to respond to innovations in the marketplace and force some banks to change their business model, withdraw from some geographies, scale back

activities or limit product lines to avoid triggering an RLAA. Banks should be provided a way to comply with the letter and the spirit of CRA within their current business model.

- The additional data gathering and reporting requirements in the 2023 Rule for banks with more than $10 billion in assets will be time consuming, expensive and a heavy burden, both on a one-time and an on-going basis, without any identifiable benefits to low- to moderate-income ("LMI") communities.
- Under the 2023 Rule, CRA success will be driven by mathematical formulas, not by meeting the credit needs of or impact to LMI communities

The Bank's support of the proposed rescission and reinstatement should not be interpreted to mean that CRA regulation and supervision should remain static. Modifications need to be made to more effectively meet the credit needs of LMI communities and address inequities in credit access through changes that account for a banking system that has evolved away from the traditional branch network.

Sincerely yours,

[redacted]

Bruce Bowman
President, Comenity Capital Bank
[redacted]