



August 15, 2025

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

RE: Community Reinvestment Act (CRA) Regulations

To Whom It May Concern:

Thank you for the opportunity to provide feedback on the proposal to rescind the 2023 Community Reinvestment Act (CRA) Final Rule and reinstate the 1995 CRA framework. I serve as the Senior Compliance Officer for Peoples Bank, a community bank with \$2.4 billion in assets, headquartered in Bellingham, Washington, and regulated by the Federal Deposit Insurance Corporation (FDIC).

Peoples Bank is deeply committed to the goals and principles of the CRA. As a community bank, our business model is rooted in building lasting relationships and meeting the financial needs of the communities we serve. We believe that a clear, practical, and sustainable CRA framework is essential to supporting these efforts.

The financial services industry has undergone significant transformation since the CRA was enacted over four decades ago. However, CRA regulations have not kept pace with technological advancements and the evolving ways in which consumers access financial products and services.

We support rescinding the 2023 Rule due to concerns with the revised assessment area framework and the burdensome comparative testing methodology. While the original intent of modernization was to clarify and streamline the CRA for both banks and communities, the final rule resulted in a sweeping overhaul that exceeded its intended scope. For institutions of our size, the rule is complex, difficult to interpret, and costly to implement.

Updating the 1995 framework would improve clarity and align with Congressional intent. The following recommendations aim to strengthen the community development qualification process.

- We support permitting banks to receive CRA credit for qualifying activities conducted outside their designated assessment areas and recommend eliminating financial provision requirements.
- Creating a publicly accessible, illustrative list of CRA-eligible and non-eligible activities would provide valuable guidance for institutions seeking to allocate resources effectively.
- We recommend that the agencies implement a formal process allowing banks to seek confirmation from their regulatory authority regarding the CRA eligibility of proposed activities.

Thank you for your leadership in soliciting input on ways to update the CRA regulatory and supervisory framework.

Sincerely,

A solid black rectangular box used to redact the signature of Melinda Kaemingk.

Melinda Kaemingk, CRCM
VP, Senior Compliance Officer