

From: Elisa Minoff
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To: Comments
Subject: RIN No. 3064-AC89 - CRA Regulations.

The Council of Large Public Housing Authorities (CLPHA) is a national non-profit organization representing 60 large public housing authorities (PHAs) that own and manage almost half of the \$90 billion asset that is public housing, and administer 30 percent of the Section 8 housing assistance program. CLPHA members represent virtually every major metropolitan area in the country and are the largest landlords, in some places administering 10 percent of the rental housing stock. They are in the vanguard of housing providers and community developers.

CLPHA would like to offer its support for the joint interagency proposal of the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Board and Office of the Comptroller of the Currency (OCC) that constructively updates and modernizes the CRA rules for mid-sized banks. The proposed rules emphasize “Community Development” benefits for low- and moderate- income communities with a new 2-part test of equal weight: the Lending Test and a new Community Development Test.

The flexible new Community Development (CD) Test will help overcome problems with the current exam by providing insured depository institutions actual CRA credit for all CD activities, including loans as well as investments and services, thereby encouraging banks to undertake the complex, resource-intensive affordable housing and other community development loans that are critical in many low- and moderate-income communities. This proposed update is balanced and responsible, providing insured depository institutions flexibility to meet the needs of their communities.

The FDIC, Federal Reserve, and OCC proposed rules contrast sharply with the Office of Thrift Supervision’s recent unilateral rule change, which eliminated **all** requirements for community development investments and services for all thrifts. CLPHA encourages regulators to ask the OTS to rescind its recent CRA rule changes, and join the three other regulators in their interagency proposal. In addition, CLPHA encourages regulators to apply the same principles to update rules for larger institutions, to further increase the regulatory incentives for institutions above \$1 billion in assets to undertake community development loans.

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