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**From:** s.borla@hartfordloans.org  
**Sent:** Tuesday, May 07, 2013 11:31 AM  
**To:** Comments  
**Subject:** Proposed Changes to Interagency Questions and Answers on Community Reinvestment

Stephen Borla  
Director of Consumer Credit and Policy Initiatives Hartford Community Loan Fund  
434 Franklin Avenue  
Hartford, CT 06114-2524

May 7, 2013

Federal Deposit Insurance Corporation

Dear Federal Deposit Insurance Corporation:

OCC: Docket ID OCC-2013-0003  
Federal Reserve: Docket No. OP-1456  
FDIC: Attention: Comments on CRA Interagency Q&A

To Whom It May Concern:

My organization appreciates the opportunity to comment on the proposed changes to the Interagency Questions and Answers on Community Reinvestment. As a Member of the Opportunity Finance Network, my organization supports the recommendations in OFN's letter. I urge the Agencies to particularly consider the following points:

1. The language in Proposed New Q&A § \_\_.12(t)-9 could result in financial institutions receiving less than full credit for Qualified Investments in CDFIs that the CDFI uses for community development purposes. To reflect common and prudent practices of CDFIs, and to provide full credit for the institutions that invest in them, my organization recommends that the Q&A be revised as follows:

"A9. Examiners will give quantitative consideration for the dollar amount of funds that benefit an organization or activity that has a primary purpose of community development. If an institution invests in (or lends to) an organization that, in turn, invests those funds in instruments that do not have as their primary purpose community development, such as Treasury securities, and the agreement between the institution and the recipient requires that the recipient uses only the income, or a portion of the income, from those investments to support the organization's community development purposes, the Agencies will consider only the amount of the investment income used to benefit the organization or activity that has a community development purpose for CRA purposes.

If the agreement between the institution and the recipient does not prohibit the CDFI's use of investment capital for community development loans, the Agencies will give consideration for the full amount of the investment, even if the recipient invests it in liquid securities."

2. CDFIs frequently serve the same market interests as minority-owned financial institutions, women-owned financial institutions, and low-income credit unions. More important, they serve the markets targeted by CRA and so would help meet the CRA's purpose in the same way as those institutions. The Agencies should make a revision to Redesignated Q&A §

\_\_\_.21(f)-1 to provide the same consideration for investments in CDFIs as are provided to investments in those institutions.

3. This proposal is an important first step in updating CRA to keep pace with the financial services industry, but it is only a first step. Most notably, the Agencies must update the determination of a financial institution's assessment area and the way in which the institution provides lending, investment, and services to it. A modernization of this aspect of CRA is critical to fulfilling its purpose.

Thank you for your consideration of our views.

Sincerely,

Stephen A. Borla

860-296-7005

Director of Consumer Credit and Policy Initiatives Hartford Community Loan Fund