COMMUNITY
DEVELOPMENT
CORPORATION
OF UTAH

16 May 2013

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Mail Stop 9W-11
400 7th Street, SW
Washington, DC 20219
Docket ID OCC-2013-0003

Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1456

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment

To all concerned:

We take great interest in the Interagency Questions and Answers Regarding Community Reinvestment published in the Federal Register on 18 March 2013, and we are grateful for the opportunity to comment. As the only community development corporation with a statewide footprint in Utah, Community Development Corporation of Utah (CDCU) offers a unique perspective which we hope will be well received.

Utah is very fortunate to have an exceptional group of community-minded banks, including our industrial banks and state chartered banks. Without these excellent partners, our work would be hampered and our impact significantly limited. In most cases, their dedication to community development and reinvestment is unparalleled. To illustrate, CDCU enjoys more than $15 million in lines-of-credit extended from these banks, which it uses to acquire, develop, and preserve safe and affordable housing in low- and moderate-income communities and neighborhoods. We also realize a large investment of grants that helps to move our mission forward.

Yet recently, banks in our area have become reluctant to make longer term community development loans, expressing a preference for annually renewing these lines-of-credit in order to assure that they will receive continuing Community Reinvestment Act (CRA) credit for the loans, not just for the year in which the loans were originated. Often, community development loans are challenging, particularly for projects where flexibility and creativity are critical to a project's success. Regardless of which CRA test under which banks are evaluated, it would be helpful if all banks could receive credit for outstanding balances on loans made in previous years. This would encourage the banks to make longer term loans and would help promote flexibility in responding to the needs of affordable housing developers. It would also

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increase a bank's willingness to consider more complex and time consuming community development loans, since, by nature, community development projects are long-term, often covering multiple years, and do hardly ever fit nicely into a 12 month compartment.

In response to the proposed revision to Question IV, Service on the Board of Directors of an Organization Engaged in Community Development Activities, we also hope that a broader interpretation will prevail. We benefit greatly from board members that represent the banks in our state. But, limiting their regulatory consideration as a community development service to only the provision of financial services assistance is shortsighted. Our bank board members provide expertise in many areas that benefit us. Banks have experts in outreach and marketing, communication, public relations, process improvement, quality control, and countless other areas of need to non-profit partners. For example, an industrial bank has given us invaluable Six Sigma training that has helped us realize greater efficiencies and effectiveness in our program delivery. These activities have a direct impact on our capacity to deliver on our community development mission.

Thank you again for the collaborative process you have undertaken to clarify the Q&A regarding community reinvestment. We are grateful to have the exceptional bank partners we enjoy in Utah, and believe that regulatory flexibility will be key to our partnership success in the future.

Respectfully,

Darin Brush
Executive Director/CEO