From:	Barbara Milon
To:	Comments
Subject:	[EXTERNAL MESSAGE] RIN 3064-AF22
Date:	Thursday, January 16, 2020 6:00:46 PM

January 16, 2020

Dear FDIC

I am the Executive Director of Neighborhood Resources Connection and oppose changes to the Community Reinvestment Act and the CRA Reform Proposal. In my career I have worked successfully with area banks, government and community development corporations, housing services providers and other nonprofit organizations. The Community Reinvestment Act passed to end discrimination lending, investment and financial services. CRA required banks to meet the credit needs of the communities where they do business. The proposed changes to CRA reduce accountability to the public. The proposed changes to CRA would result in fewer loans, investments and services in low and moderate neighborhoods. CRA based on my experience increased partnerships with area banks, community development corporations, housing services providers and other nonprofit organizations who serve low- and moderate-income neighborhoods. Some examples of the important partnerships resulting from CRA include:

> Determining the feasibility of converting large low-income rental housing into a combination that diversifies some of the low-income rental into homeownership
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> Property acquisition options for the purchase of multiple buildings, and the preparation of applications for project financing, market analysis and architectural design, construction and maintenance of the properties
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> Storefront marketing and development strategy
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> Affordable Housing Development Manual publication
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> Documentation on the ownership of 10,108 units of affordable housing serving low- and moderate-income residents including the units owned by the public housing authority

The proposed change to CRA would lessen focus on low- and moderate-income neighborhoods a blatant contradiction to the intent to address redlining. The definition of affordable housing would be relaxed to include middle income housing in high cost areas. I am not opposed to middle income housing, but no policy should exclude low- and moderate-income neighborhoods and residents. In addition, the Notice of Proposed Rule Making (NPRM) would count rental housing as affordable if lower income people could afford to pay the rent without verification that lower-income people would be tenants

While NPRM recognizes changes in the banking industry such as the increased use of online banking the NPRMs reforms to the geographical areas on CRA exams are problematic and would reduce transparency. Neither the agencies nor the public can evaluate the agencies proposal to designate additional geographical areas on exams in the case of internet banks due to the lack of publicly available data. The public does not have a fair chance to offer comments on the effectiveness of proposed changes whose impacts are unknown.

Instead of weakening CRA, the agencies must enact reforms that increase bank activity in underserved neighborhoods. The agencies do not address persistent racial disparities in lending by strengthening the fair lending reviews on CRA exams or adding an examination of bank activity to communities of color in CRA exams. By adding a category on CRA exams of underserved census tracts would likely include a high number of communities of color. There is no mandatory inclusion on exams of bank company affiliates who engaged in abusive lending during the financial crisis.

This flawed proposal would result in less lending, investing and services for communities that were the focus of the Congressional passage of CRA in 1977. This backtracking will violate the agencies obligation under statue to ensure that banks are continually serving all communities and their needs.

Eliminate NPRM and work with the Federal Reserve Board and propose an interagency rule that will augment the progress achieved under CRA instead of reversing CRA.

Sincerely,

Barbara

Dr. Barbara Milon, Executive Director

Dr. Barbara J. Milon, Ed.D
115 N. William Street
South Bend, IN 46601
574.287.0425
Drbarbara@NRCSB.org