From: Bambie Hayes Brown
To: Comments
Subject: [EXTERNAL MESSAGE] RIN 3064-AF22
Date: Tuesday, January 28, 2020 2:13:17 PM

January 28, 2020
RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations
To Whom It May Concern:
Georgia Advancing Communities Together, Inc., a 40-member statewide membership organization which represents the state's nonprofit housing and community development organizations, opposes the proposed changes to the Community Reinvestment Act (CRA). The OCC and FDIC would lessen the public accountability of banks to their communities by enacting unclear performance measures on CRA exams that would not accurately measure a bank's responsiveness to local needs. Contrary to the agencies assertions that their changes would increase clarity and CRA activity, the result will be significantly fewer loans and investments to low-income and minority communities.
In Georgia, we seen the benefits of CRA in our community. In Fulton County, specifically for Atlanta, Sandy Springs and Roswell, 2,788 loans were made to businesses with gross annual revenues of less than $1 Million for families with a median income of 80% or less, totaling $425,716,000 in 2018. Yet, under the guise of "modernizing" current laws, these proposed changes are seeking to weaken one of the few tools we have to ensure small business and homeownership lending equity and fight redlining, potentially enabling and encouraging systematic discrimination against low-income households and communities of color.
The OCC and FDIC would dramatically lessen CRA's focus on LMI communities in contradiction to the intent of the law to address redlining. The Center for Investigative Reporting found that modern-day redlining existed in 61 metro areas "even when controlling for applicants' income, loan amount and neighborhood." Their analysis showed Black applicants for mortgages were turned away at significantly higher rates than whites in 48 cities; Latinos in 25; Asians in nine; and Native Americans in three. The definition of affordable housing would be relaxed to include middle-income housing in high cost areas.
In addition, the Notice of Proposed Rulemaking (NPRM) would count rental housing as affordable if lower-income people could afford to pay the rent without verifying that lower-income people would be tenants. Also, the NPRM would add financing large infrastructure such as bridges as a CRA eligible activity. Even financing "athletic" stadiums in Opportunity Zones would be an eligible activity.
The proposed "modernization" would raise the threshold on lending to small businesses from $1 to $2 million in revenue. According to the Consumer Financial Protection Bureau, 95% of businesses have revenues under $2 million. This new standard could lead to banks focusing on lending to more-established, larger small businesses, leaving others with even fewer options than they currently have.
Currently, the CRA ensures banks are lending to the communities they are in. Despite leading a significant portion of the nation's small business growth, 79 percent of it from 2007-2017, minority-owned firms have a much harder time accessing small business loans than their white counterparts. Minority-owned firms are already much less likely to be approved for small business loans than their white-owned counterparts. Even when they are approved, minority-owned businesses are more likely to receive lower amounts and higher interest rates.
Instead of weakening CRA, the OCC and FDIC must enact reforms that would increase bank activity in underserved neighborhoods and 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. In addition, the OCC and FDIC agencies

should require banks to collect more data on consumer lending and community development activities and require banks to publicly release this data on a county or census tract level. Finally, the OCC and FDIC should require mandatory inclusion on exams of bank mortgage company affiliates, many of whom engaged in abusive lending during the financial crisis. Therefore, the FDIC and OCC need to discard the NPRM, and instead work with the Federal Reserve Board and propose an interagency rule that will augment the progress achieved under CRA instead of reversing it.

Sincerely,

Bambie Hayes-Brown, President and CEO
Georgia Advancing Communities Together, Inc.

Bambie Hayes-Brown, MBA
Georgia Advancing Communities Together, Inc.
250 Georgia Avenue, SE, Suite 350
Atlanta, GA 30312
Office: (404) 586-0740
Cell: (404) 437-2681
Fax: (877) 257-6037
Email: bhayesbrown@georgiaact.org