

**From:** [Christine Schudde](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] RIN 3064-AF22  
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February 5, 2020

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations

To Whom it May Concern:

Habitat for Humanity Capital District strongly opposes the proposed weakening of the Community Reinvestment Act (CRA).

The new proposals would lessen the public accountability of banks to their communities—the same communities that generate profit for banks—by enacting unclear performance measures that would not accurately measure a bank’s responsiveness to local needs. As a result, low- and moderate-income communities will have access to significantly fewer loans, investments and services and we will witness a new wave of banking and housing discrimination throughout our country.

Habitat for Humanity Capital District builds strength, stability and self-reliance through affordable homeownership. We build and rehabilitate homes and then sell them at affordable prices to low-income homebuyers. In recent years, Habitat for Humanity has partnered with banks who offer responsible, affordable mortgages to Habitat buyers. Habitat has built and sold 139 homes to low-income buyers who earn less than 80% of our area median income. More than half of those mortgages were originated or purchased by local banking institutions. Nearly all of these loans were made in neighborhoods that had been devastated by redlining and racist housing discrimination. The proposed changes to the CRA would strip away incentives for these banks to continue to lend to low-income families or within low-income neighborhoods.

The proposed changes divert attention away from these communities and weaken the CRA’s focus on affordable housing, racial justice and community equity. Under the new CRA, affordable housing would actually include middle-income housing and would be counted as serving low-income households even if those apartments actually house wealthy tenants. Further, a bank could invest in a sports stadium near a poor community and county that towards their CRA commitment. The new evaluation system would encourage banks not to serve the real needs of their local communities, but to find the easiest and largest deals anywhere in the country to meet their CRA obligations. Poor communities and families will suffer.

Habitat for Humanity Capital District builds in neighborhoods harmed by irresponsible banking and the foreclosure crisis of 2008. We have witnessed the damage that the financial industry has wrought on poor communities, whether through subprime lending, redlining or neglect. Instead of weakening CRA, we call on the agencies to enact reforms to increase responsible bank activity in underserved neighborhoods and address the persistent racial disparities in lending.

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