From:	Susan Cotner
To:	Comments
Subject:	[EXTERNAL MESSAGE] RIN 3064-AF22
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The Affordable Housing Partnership of the Capital Region (New York) opposes the proposed changes to the Community Reinvestment Act (CRA) regulations. 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, investments and services to low- and moderate-communities (LMI).

The Affordable Housing Partnership provides housing counseling to low income households seeking to become first time homebuyers. The majority of our work is to counsel households about obtaining fair credit and mortgage products in preparation for affordable homeownership.

While we applaud the efforts to increase CRA activities in underserved rural areas, those activities cannot be at the expense of CRA's original mission to focus on disinvested LMI communities harmed by redlining. One of the greatest challenges facing neighborhoods in Albany, NY is vacant and abandoned properties. Current maps that show the concentration of these blighting buildings overlay perfectly with the neighborhoods that were redlined in the 1940s and '50s. CRA rules should be modernized and not weakened to target reinvestment to redress the on-going negative impact of discriminatory housing policies.

The agencies propose an evaluation system that would further inflate ratings while decreasing the responsiveness of banks to local needs. The agencies propose a one ratio measure that would consist of the dollar amount of CRA activities divided by deposits. This ratio measure would likely encourage banks to find the largest and easiest deals anywhere in the country as opposed to focusing on local needs. The proposal would relax requirements that banks serve areas where they have branches first before they can seek deals elsewhere. AHP is concerned that developer- and profit-driven projects that don't meet the most pressing community needs will receive funding priority due to their size and bank/developer relationships.

We are concerned that the proposal may result in branch closures since it would eliminate the test that scrutinizes bank branching and provision of deposit accounts to LMI customers. As we work with low income households seeking to improve their credit scores in order to qualify for high quality mortgage products, we advise them to meet with local bank branch staff to understand their credit building and savings account options. The loss of bank branches will mean fewer opportunities to build trust and stronger banking relationships.

Instead of weakening CRA, the agencies must enact reforms that would 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. At the very least, the agencies could add a category on CRA exams of underserved census tracts, which would likely include a high number of communities of color. The agencies also require banks to collect more data on consumer lending and community development activities but do not require banks to publicly release this data on a county or census tract level. Finally, the agencies do not require mandatory inclusion on exams of bank mortgage company affiliates, many of whom engaged in abusive lending during the financial crisis.

This proposal would result in less lending, investing and services for communities that were the focus of Congressional passage of CRA in 1977. This backtracking will violate the agencies' obligation under the statute to ensure that banks are continually serving community needs. The FDIC and OCC need to discard the Notice of Proposed Rulemaking, 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.

Please accept this letter as our statement in opposition to the proposed OCC and FDIC changes to the Community Reinvestment Act.

Sincerely,

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