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3001 25th St S  
PO Box 10938  
Fargo, ND 58103  
(701) 232-1700  
firstintlbank.com

Via Electronic Mail Comments@fdic.gov and United States Mail  
February 20, 2020

Robert E. Feldman, Executive Secretary  
Attn: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington DC 20429

RE: RIN 3064-AF22  
Community Reinvestment Act Regulations Comment to Proposed Rule

Dear Sir:

I am writing you to comment on the proposed changes to the Community Reinvestment Act (CRA) rules as published by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation on December 12, 2019.

First International Bank & Trust (FIB&T) is a North Dakota chartered community bank with over \$3.2B in assets. We emphatically concur with the need for modernization and simplicity in the CRA rules that have not been updated for nearly 25 years; however, while containing some useful updates, the proposal does not go far enough.

FIB&T is in favor of the creation of presumptive ratings that banks can determine themselves by looking at the amount of CRA-eligible activities as compared to the amount of deposits. This will improve clarity for banks. While not perfect, we believe the presumptive ratings are more likely to spur CRA activities than limit them.

While the presumptive ratings would be of benefit – the benefit will be offset by the increased recording keeping requirements. The proposal will impose voluminous record-keeping requirements on already burdened small banks. Banks will be required to collect and maintain all data supporting the bank's performance context, assessment areas, retail deposit data, and presumptive performance ratings in all three evaluation measures – among other things, the quantified value of its qualifying retail loans, CD loans, CD investments and CD services for each annual period and this data would be made public.

The adjustment of the asset thresholds is inadequate. Instead of defining "Small" as less than \$500 Million and lumping everyone else into one category, the "Small" category should be increased to \$5 Billion, the Intermediate Small category should remain and be changed to \$1.5 Billion to \$5 Billion, and the Large Banks be described as those \$5 Billion and above. This would



better reflect the extensive consolidation and growth that has occurred in the industry since the Act's initial implementation. Furthermore, all banks should have the option to continue using the current framework – not just “Small” banks.

FIB&T, however, supports the new forward-looking approach in defining what qualifies as a CRA activity (including providing more examples) as well as the expansion to include the location of a Bank's deposit customers in the CRA assessment area.


The new rules incentivize banks to invest in opportunity zones, which are communities the federal and state governments have identified as needing economic development and job creation. Also, more businesses will now qualify as small businesses because of the proposed increase in revenue threshold and more loans would qualify as small business loans because of the increase in the loan size threshold. At a minimum this was necessary to counter inflation.


Lastly, FIB&T likes the statement in the preamble that states a bank with an “Outstanding” rating would presumptively earn a CRA evaluation period of five years – and additional ways to incentivize banks to aim for the highest rating will be appreciated.

First International Bank & Trust accordingly feels that with some changes, the proposed regulations would better preserve what is best about the existing CRA regulations – leaning on that success – whole encouraging banks to lend and invest more to low – and moderate-income individual and areas.

Please feel free to contact me with any questions.

Sincerely,

  
FIRST INTERNATIONAL BANK & TRUST

  
John D. Docken  
Senior Vice President, Corporate Counsel and  
Director of Risk