

# THE TIME IS NOW TO LIVE UNITED



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Sandra Smith

March 4, 2020

To Whom It May Concern:

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations (RIN 3064-AF22)

United Way of Summit County (UWSC) opposes the proposed changes to the Community Reinvestment Act (CRA). The proposed changes would lessen the public accountability of banks to their communities and result in significantly fewer loans, investments and services to low- and moderate-income communities (LMI).

UWSC is deeply involved in work to financially empower LMI populations in the greater Akron, Ohio area. In a partnership with the City of Akron, UWSC operates a Financial Empowerment Center (FEC) that focuses on providing LMI residents one-on-one financial coaching, free tax preparation assistance, and connecting them to affordable banking and other services to increase their financial stability. In addition, UWSC is a key partner in preventing homelessness and rapidly rehousing individuals and families who become homeless. The shortage of affordable housing is a huge challenge in our community.

In the Akron area, CRA has motivated banks to provide loans and investments for affordable housing and economic development and create a tier of banking accounts for the LMI unbanked and underbanked population. The population of unbanked and underbanked most often affect minorities and people who make less than \$30,000 annually.

We are concerned that the proposed rule changes would incentivize banks to favor large community project transactions and lessen CRA's focus on LMI communities. Furthermore, we believe it will result in significantly less investment in affordable housing and services that directly increase the financial stability of the LMI communities we serve. We are particularly concerned about the following specific impacts the changes will have:

1. The inclusion of financing large infrastructure projects or stadiums in Opportunity Zones in the expanded list of eligible activities.
2. The revised definition of affordable housing that includes middle-income housing in high cost areas.
3. The one ratio test which significantly diminishes the importance of assessment areas on CRA exams.
4. Allowing banks that receive Outstanding ratings to be subject to exams every five years instead of the current two to three years.

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These proposed changes will have a significant negative affect on our LMI communities. While modernization of the CRA may be necessary, we ask that the modernization not make banks less accountable and responsive to LMI community needs. Changes like those proposed are counter to the purpose of the CRA legislation.

The proposed rules 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 proposed rules, 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,



James Mullen, CEO  
United Way of Summit County