ARTISANS' BANK
A History of Service - Since 1861

Red Clay Center at Little Falls
2961 Centerville Road
Wilmington, DE 19808-1611
302-658-6881

March 09, 2020

Robert E Feldman, Executive Secretary
FDIC
550 17th Street NW
Washington, DC 20429

FDIC: RIN 3064-AF22

Artisans' Bank is a state chartered, mutually owned, FDIC regulated, commercial bank headquartered in Wilmington, Delaware. Chartered in 1861 as Artisans' Savings Bank, we have served the residents of Wilmington, now the entire State of Delaware for over 150 years. In 1996, we officially changed our name to Artisans' Bank, reflecting a focus on small business and commercial customers. However, at our core, we are still a community focused financial institution that offers a wide mix of consumer and commercial banking products and services.

As one of the few remaining community banks in Delaware, we strive to comply with both the law and the spirit of the Community Reinvestment Act. We are proud of our accomplishments and our willingness to work with the public and private sector to serve our constituents. While we would endorse some of the proposed CRA rules, there are many others that we oppose or desire more clarification.

We support the efforts to clarify and expand the activities that will receive CRA credit: in particular, activities that benefit communities at large <u>yet are inclusive</u> of LMI geographies. We support the proposals surrounding qualification for all financial literacy and education. We support the proposals surrounding double coverage of support for CDFI organizations. We also support the idea of a non-exhaustive published list of examples of qualifying activities.

However, as one of the few banks in Delaware that have active programs to bring the underbanked and unbanked into the banking system, we <u>strongly</u> oppose removing deposit accounts and other bank services from consideration. We also oppose the six-month confirmation process, which would likely cause potential CRA opportunities to pass by smaller institutions (and go to larger institutions who can afford to accept the CRA qualification risk).

Banks should be given full credit for originating home loans, including home equity loans and HELOCs, regardless of whether the loans are held in portfolio or are sold. Banks should also continue to receive full credit for the purchase of mortgage-backed securities supported by mortgages to low- and moderate-income applicants. We do not agree with the elimination of CRA credit for mortgages made to high-income individuals in low-income census tracts and we are unclear as to how this proposed rule impacts middle-income applicants and activities in moderate-income geographies.

While we support the small bank opt-in rule, we strongly feel the threshold should be set at the top of the Intermediate Small Bank definition of $1 billion and not at $500 million. We are also not in favor of specific CRA calculation metrics. Many small banks do not really know where they stand: do our community development loans and investments exceed 2% of retail domestic deposits each quarter? Do we pass the other CRA metrics? Given the uncertainty of what qualifies, no, we simply do not know.

While we support the Individual CRA Disclosure Statement rule, the regulators should be required to provide each institution with starting calculations a full year before the annual disclosure statements are required to be published; giving institutions time to improve if needed.

We also strongly believe that board service and employee volunteer activities to non-profits and other initiatives that benefit our CRA assessment areas should be given full credit regardless of whether the activities involve financial services or the activity predominately serves the LMI community. In a time when non-profit funding is limited and government programs are being cut, we should all be encouraged to do all we can to serve our community agencies.

We oppose the removal of economic development, revitalization, and stabilization from the definition of community development.

While we support the concept of deposit based assessment areas, it should be noted that we will continue to only use a facility based assessment area as the proposed rules have no impact on community institutions that essentially only work within their current CRA Assessment areas.

Regarding the expanded CRA data collection and reporting requirements, we are neutral. We are not inherently opposed to the extra data collection, however, we are very concerned that our bank would not pass the proposed community development metrics, as they are currently written.

One rule not discussed in the proposals is the CRA Public File: this antiquated requirement should be eliminated. While institutions should be required to post their CRA Notice and provide requested information within the timeframes specific in the regulations, the requirement to update and maintain a file that has not been looked at in over 20 years is totally unnecessary.

Thank you for the opportunity to accept comments on the Advanced Notice of Proposed Rulemaking regarding the Community Reinvestment Act.

Respectfully yours

[redacted]

Joel S. Schiller, SVP & Chief Risk Officer: Compliance & CRA Officer
Artisans' Bank, 2961 Centerville Road
Wilmington, DE 19808
302-884-6566 w