

To Whom It May Concern:

Philadelphia Chinatown Development Corporation opposes the changes to the Community Reinvestment Act (CRA) regulations proposed by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), for the following reasons:

- The new scoring system would allow banks to completely ignore almost half of the markets where they have branches and still pass their exams.
- The proposed changes will encourage banks to seek out large dollar community development deals to quickly get to a single total dollar volume metric and discourage loans to people with low- and moderate-incomes (LMI) and small businesses because the loans are much smaller.
- The system that gives credit to banks for having branches in LMI communities is weakened and will likely lead to massive branch loss in communities that are already underserved.
- The proposal redefines community development to include large infrastructure projects like stadium improvements in LMI Opportunity Zones which further encourages banks to seek out larger deals over smaller loans to meet the ratio for the total dollar volume metric.
- The definition of affordable housing would be relaxed to include middle-income housing in high cost areas.
- The proposal would redefine small businesses and family farms with higher revenues again encouraging banks to focus on larger loans to bigger businesses instead of smaller community-style loans.
- The proposal would lessen the public accountability of banks by not accurately measuring its responsiveness to local needs.

As a grassroots, non-profit, community-based organization, PCDC's mission is to preserve, protect, and promote Chinatown as a viable ethnic, residential, and business community. Philadelphia Chinatown is the only low-income minority neighborhood in Philadelphia's Center City. In Chinatown, 22.3% of households live on less than \$15,000 a year. We provide affordable housing, small business assistance, housing counseling and other services to low-income immigrants.

CRA is supposed to focus on LMI communities. We need small loans to support community projects such as affordable housing development. Infrastructure, stadiums and agricultural activities are not directly benefiting low-income communities, and sometimes, these projects threaten the low-income community's quality of life and even its survival.

In 2000, Chinatown businesses, residents and neighbors protested against a proposal to build Phillies Stadium in Chinatown. "Chinatown has no public school, no library, no community center, no healthcare center, one outdoor basketball court and minimal recreation areas," said one of the protesters. "Is a stadium the best thing for Chinatown at this point?" We hope OCC and FDIC will not make the same mistake by sacrificing



LMI communities' interests for other agendas.

It is clear that the proposed rules would weaken CRA. The focus on LMI communities would be lost - the exact intent of CRA when it was signed in 1977. This backtracking would violate the agencies' obligation under the statute to ensure that banks are continually serving community needs. The FDIC and OCC need to discard the proposal, and instead work with the Federal Reserve Board to create an interagency rule that will augment the progress achieved under CRA instead of reversing it.

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