April 3, 2020

On behalf of DC Central Kitchen, I am writing to express our organization's opposition to the proposed changes to the Community Reinvestment Act (CRA).

We interpret these changes as ones that would result in significantly fewer loans, investments, and services rendered to low- and moderate-income communities, and fewer opportunities for these communities to hold financial institutions accountable. By employing a 'single ratio' that rewards banks for the total dollar amount of their lending and investments instead of applying more nuanced measures, the proposed changes risk rewarding bigger loans and investments rather than smaller, yet more impactful, grassroots transactions. And by reducing penalties for failing to invest proportionately across geographic communities, these rule changes could favor larger, louder interests over smaller, equally essential ones. **In short, these changes gloss over quality community reinvestment in service of sheer quantity**. These new rules risk devastating small businesses and nonprofits working to enhance prosperity in the communities that need it most simply to ease administrative burdens on large financial institutions. There is simply no equivalency – in terms of impact or ethics – between the minimal good offered by these changes and the dangers they pose to our most vulnerable communities and institutions.

DC Central Kitchen has spent 31 years building sustainable prosperity and tearing out hunger and poverty by their roots. A 501(c)3 nonprofit based in the District of Columbia, DC Central Kitchen specializes in providing culinary career training to Opportunity Youth and to adults with histories of incarceration, addiction, homelessness, and trauma, and then operating thriving social enterprises that employ more than 170 people at living wages while creating $79 million in annual benefits for our city's taxpayers. We have won widespread acclaim from groups and publications like the US Chamber of Commerce, The Atlantic, PBS NewsHour, National Geographic, The Wall Street Journal, The New York Times, The Washington Post, and the Social Enterprise World Forum. **We know what good community development looks like – and these proposed rule changes do the exact opposite**.

With America's economy in a tailspin and unemployment on the rise, there is no justification for implementing rule changes that risk legalizing the historically shameful practice of redlining by permitting banks to avoid investment in low-income and minority neighborhoods. This is not the time to erode gains in making banks more accountable to the communities they serve. If anything, now is the time to double-down on the CRA expectations of large, successful financial institutions so that investment and capital flows to the small businesses and nonprofits that will lead the way in rebuilding our communities, block by block and job by job.

There was no agreement among bank regulators on the scope or necessity of these changes before the onset of COVID-19, and our nation's response to this crisis demands more rigorous study and consideration than these proffered rule changes reflect. More evidence should be generated to support the case that any rule changes will actually do measurable good for the communities and people who need it most.

I respectfully ask that you please discard this proposal and start again, this time centering the core principles of the Community Reinvestment Act and the needs of our communities from the start.

Thank you for your consideration,

[redacted]

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cc: National Alliance of Community Economic Development Associations (NACEDA)