From: Barbara Dunn [redacted]
Sent: Monday, April 06, 2020 11:13 AM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN 3064-AF22

Comment: April 6, 2020

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations

To Whom it May Concern:

As a recently retired Executive Director of a Habitat for Humanity affiliate in New Jersey, I oppose the proposed changes to the Community Reinvestment Act (CRA) regulations. The OCC and FDIC would lessen the public accountability of banks to their communities by enacting unclear performance measures on CRA exams that would not accurately measure a bank's responsiveness to local needs. I believe, the assertions that these changes will increase clarity and CRA activity is wrong, and it is more likely the result will be significantly fewer loans, investments and services to low- and moderate-communities (LMI).

Having worked for 26 years in Paterson, New Jersey, I have seen first hand the consequences of poor housing and lack of capital investment in low income communities. The results include massive health and longevity implications, lower educational and employment outcomes and overall poor quality of life. Conversely, Habitat has helped close to 350 households improve their housing situation and the success of these Habitat families and their influence on surrounding areas is also proof of the value of investments -- many prompted by CRA programs.

Redlining is still a reality in poor areas such as Paterson. The proposed changes will only exacerbate this discrimination.

And it is worrisome to see some of the projects that might be eligible for CRA credit -- such as sports stadiums -- which have little real impact on the lives of poor people.

Neither the agencies nor the public can evaluate the agencies' proposal to designate additional geographical areas on exams in the case of internet banks due to the lack of publicly available data. The public does not have a fair chance to offer comments on the effectiveness of significant proposed changes whose impacts are unknown.

I am concerned by the proposed evaluation system as I believe it will result in a decrease of responsiveness of banks to local needs. If there is a change to the timing of evaluations for those with Outstanding ratings, there must be a more frequent partial review as five years seems too long a time between submissions.

Small banks are often the most accessible to local communities and the proposal to drop community development financing from CRA evaluations will, most likely, be another loss for communities.

Instead of weakening CRA, the agencies must enact reforms that would increase bank activity in underserved neighborhoods. The agencies do not address persistent racial disparities in lending by strengthening the fair lending reviews on CRA exams or adding an examination of bank activity to communities of color in CRA exams. At the very least, the agencies could add a category on CRA exams of underserved census tracts, which would likely include a high number of communities of color. The agencies also require banks to collect more data on consumer lending and community development activities but do not require banks to publicly release this data on a county or census tract level. Finally, the agencies do not require mandatory inclusion on exams of bank mortgage company affiliates, many of whom engaged in abusive lending during the financial crisis.

This deeply flawed proposal 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 NPRM, 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.

Underserved communities need CRA programs now, more than ever.
WE NEED TO MODERNIZE CRA, NOT RELAX IT.

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