April 7, 2020

Comptroller Joseph M. Otting
Comptroller of the Currency
Comp 400 7th Street, SW
Washington, D.C. 20219

Chair Jelena McWilliams
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Docket No. OCC-2018-0008

Dear Comptroller Otting and Chair McWilliams:

As the only commercial banker who testified in favor of the Community Reinvestment Act (CRA) in 1977, I fully agree that it is time for it to be revised to fit changes in banking practices. However, I am against acting before all 3 regulatory agencies are in agreement and I am opposed to some of the changes proposed by the OCC and the FDIC.

As the CEO of ShoreBank Corporation, I witnessed closely and personally the beneficial effect that the CRA had in less advantaged communities. Redlining by banks had starved these communities of bank credit and other financial services for generations. The CRA changed that.

Today, many consumers conduct their banking activities online while consolidation has changed the markets of many banks. I have three objections to the current proposal of the OCC and the FDIC.

1. Comparing the proposal of the FDIC and OCC with that of the Fed, I would assert that the former is too blunt while the Fed recognizes that one size does not fit all. It proposes a separate test for retail banks and a separate test for large, wholesale and special purpose banks. It even allows banks that prefer the current regulations to use them. (See Governor Lael Brainard's speech at the Urban Institute, January 8, 2020.)

2. The holding companies of banks are regulated by the Fed while their banks may be regulated by the FDIC or the OCC. It makes no sense for them to deal with 2 different sets of regulations.

3. The entire purpose of the CRA is to require insured depositories to engage in the priorities identified by local leaders and to serve the credit needs of the small businesses and residents in their assessment areas. Again, the FDIC/OCC proposal puts too much reliance on quantitative tests while the Fed's position attempts to allow for qualitative assessments that take into account such facts as low-density rural markets.

I urge you to suspend the rulemaking process, re-engage with Federal Reserve Bank, and release a proposal only when it is more consistent with the original intention of the legislation and the three regulators are fully aligned. That approach would be in the best interests of the banks, the community, and the nation.

Very truly yours,

Ron Grzywinski
Former Chairman, ShoreBank