

# Bellaire-Puritas Development Corporation



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April 7, 2020

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations  
RIN: 3064-AF22

To Whom It May Concern:

The Bellaire-Puritas Development Corporation (BPDC) is a non-profit, neighborhood-based community development corporation founded in 1992 to serve a specific purpose and geography in Cleveland, Ohio. BPDC strives to promote, protect, and develop neighborhoods of West Park in Cleveland. We do this in concert with our neighborhood residents, businesses, employees, students, and visitors, by developing and implementing programs, services, development plans and development projects that promote the safety and advance the quality of life for all stakeholders in our community. Our neighborhoods are home to about 25,000 residents people, or approximately 11,000 households of low to moderate means. We have a relatively high, 89% employment rate and nearly a 75% homeownership rate.

BPDC opposes the proposed 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). We believe the changes are not helpful. 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. Contrary to the agencies assertions that their changes would increase clarity and CRA activity, the result will be significantly fewer loans, investments and services to low- and moderate-communities (LMI).

Most our neighborhood homes are modest in size, and often in need of repair or updating. While we have a history of high homeownership, that is being threatened in part by the strict practices of many lending institutions. Underserved communities such as the Bellaire-Puritas neighborhoods in the City of Cleveland find existing homeowners unable to access credit for low valued loans in order to afford needed home repair. Home buyers may settle for renting because they are unable to access a loan that would allow them to both purchase and renovate a new home. At the same time, most banking institutions will not loan money for home purchases under \$50,000, setting our neighborhood up for cash rich investor rental properties. These practices discourage homeownership, promote expansion of rental properties in our single family housing stock, and further destabilize middle neighborhoods like ours.



BPDC believes the proposal does things it should not do. CRA regulations:

- ***Should not reduce banks' obligation to make mortgage loans*** in neighborhoods with low and moderate incomes.
- ***Should not create a scoring system that allow banks to ignore communities*** where they have branches and still pass their exams.
- ***Should not encourage banks to seek out large dollar deals*** and discourage loans to people with low- and moderate-incomes (LMI) and small businesses because the loans are much smaller.
- ***Should not erode the requirements and incentives for banks to open and operate branches*** in LMI communities like ours. We have seen too many bank branch offices close in our neighborhood over the past decade as it is!
- ***Should not redefine community development to include large infrastructure projects like stadium improvements.*** Projects of that size have many more financing options that the working men and women who live and operate businesses in West Park.

Overall we believe the proposal lessens the public accountability of banks to low and moderate income neighborhood needs, at a time when by we need financing that is more responsive to opportunities that would advance local homeownership and small business stability and promote neighborhood resilience.

It seems clear that the proposed rules would weaken CRA. 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.

Respectfully,

  
Bryan Gillooly  
Executive Director  
Bellaire Puritas Development Corporation