RUPCO

Strengthening Homes, Communities and Lives

www. rupco.org

April 2, 2020

RE: Proposed CRA changes

To whom it may concern:

Thank you for allowing me the opportunity to express my opposition towards the proposed changes to the Community Reinvestment Act (CRA). Since its enactment in 1977, the CRA made vast strides in providing formally redlined low- and moderate-income (LMI) communities with access to safe, sustainable banking and financial products that can help attract and retain investment. By requiring banks to invest in LMI communities, CRA has secured over $1 trillion in mortgages, small business loans, and economic development for under-served neighborhoods.

RUPCO's mission to create homes, support people and improve communities would not be possible without CRA investments. Our affordable housing development portfolio includes a mix of senior and supportive, family and artist housing in the Hudson Valley. To bring these much-needed projects to reality, RUPCO has utilized the Low-Income Housing Tax Credits (LIHTC) program, gaining equity through the sale of the tax credits to banks who act as investors.
The CRA is a high motivator and incentive to encourage banks to lend and invest tax credits in developments located in their service area, addressing a public need in their community. By requiring banks to invest in low to moderate-income (LMI) communities, CRA has secured over $1 trillion in mortgages, small business loans, and economic development for under-served neighborhoods.

Throughout 15 years, RUPCO's HomeOwnership Center has helped over 900 families achieve homeownership, a dream that is made possible by the current CRA's requirement that enforces banks to make mortgage loans in neighborhoods with low and moderate incomes. The proposed CRA removes this rule, allowing banks to neglect the areas where they have branches, depraving many of the American Dream.

The consequences to the proposed changes to CRA will be devastating. By irresponsibly expanding the CRA definition of community development investment, to include the funding of luxury condominiums and athletic stadiums located on LMI tracts, as well as the ability for banks to fund LMI communities anywhere, not where they are located, completely disregards REAL public needs, that will lead to an increase in gentrification and lack of housing. Additionally, CRA's proposed scoring system will allow banks to receive a passing or outstanding grade, even if they are only investing in 50% of their assessment areas, completely debilitating the ability of nonprofit developers to leverage with financial investors.

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It is evident that the proposed CRA changes will quickly set back progress made to bring down barriers to serve historically marginalized communities. Instead, they will establish a new form of redlining that completely disregards if bank investments will genuinely benefit the LMI population in that area. 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.

Sincerely,

[redacted]

Kevin O’Connor
Chief Executive Officer

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