



Communities United For Action
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April 7, 2020

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations
RIN 1557-AE34 and RIN 3064-AF22

To Chief Council, Comptroller of the Currency; Federal Deposit Insurance Corporation:

Communities United For Action (CUFA) is a diverse coalition of neighborhoods, organizations and individuals working throughout Hamilton County in Ohio. For decades, we have helped low and moderate-income families invest in our community through homeownership. The Community Reinvestment Act (CRA) has played a major role in increasing homeownership in our neighborhoods. CUFA opposes the proposed changes to the Community Reinvestment Act (CRA) because we think the changes would have dramatic negative effects on our neighborhoods. The proposed changes would make it harder for our neighbors to obtain loans and would result in decreased investment in our community as a whole. This proposal would allow banks to redline communities and withdraw services to low-income and minority neighborhoods. And, it would make banks far less accountable to the communities they are responsible to serve.

The proposal dramatically and irresponsibly expands what activities would be eligible for CRA credit. CRA serves our community by driving resources we otherwise could not access, providing for the financial and community development needs our community identifies and prioritizes. Switching to a "non-exhaustive list" of eligible activities developed in Washington, DC, to include infrastructure, transportation and even sports stadiums, removes my community's voice to determine our own needs.

Also, the proposed rules institute a single ratio to assess how banks serve communities. This single-ratio approach completely disregards whether the community development and financial needs of the community are being served by the bank or its investments. And as a result, the voices of the community and the organizations, like CUFA, that serve the community, will be ignored. These are the very people who have the expertise to understand what is needed to improve the community. We would no longer be able to identify and prioritize our needs. We would also have less ability to identify when lenders behave inappropriately in our community.

As was made clear in the previous public comment period, the single ratio is a deeply flawed concept. Please pay attention to the comments you have received and discard the single ratio.

The new rule proposes to allow banks to meet investment benchmarks in only a "significant portion" of its assessment areas in order to receive a satisfactory or outstanding rating. The rule suggests that a

“significant portion” could be only at 50% or more. At CUFA, we are concerned that this rule would encourage redlining because our neighborhoods would be ignored in lieu of investing in more affluent communities.

The OCC and FDIC, acting without the participation of the Federal Reserve, risks producing three separate sets of CRA regulations that communities and organizations would have to learn in order to leverage resources for our community. That makes everyone’s job more complicated, less transparent, and results in confusion. These changes are sounding the death knell for low and moderate-income communities. The problems of the single ratio, the overly broad definitions of CRA-eligible investments, the gutting of communities’ voices, the speedy rule-making process, the credibility gap created by the Federal Reserve’s absence, and the lack of good faith and outreach from the OCC that drove this reckless proposal make it beyond repair.

CRA was originally enacted to end redlining. It has been instrumental in keeping some of Cincinnati’s low and moderate-income neighborhoods alive until investments have been recovered. The first goal of CRA modernization should be to prioritize the problem CRA was intended to fix. Please preserve the original intent of the CRA by discarding this proposal and starting again.

Sincerely,

Members of Communities United For Action:

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