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April 8, 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: Community Reinvestment Act Regulations; Joint notice of proposed rulemaking; request for comment (12 CFR Parts 25 and 195 [Docket ID OCC-2018-0008] RIN 1557-AE34)

Deutsche Bank appreciates the opportunity to comment on the notice of proposed rulemaking (NPR) regarding changes to the Community Reinvestment Act Regulations (CRA) jointly released by the Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation. We agree that it is appropriate to examine the regulations and update them to reflect the changes that have occurred in the marketplace since they were last materially updated in 1995.

With over 25 consecutive years of outstanding-rated CRA performance, Deutsche Bank has long been committed to doing its part to address the pressing community development needs of New York City and beyond. This includes investing in those areas of the country that are considered CRA "deserts" (i.e. regions that are relatively deprived of bank CRA activity) exemplified by our Native Community Capital Access initiative launched last year. In this program, Deutsche Bank invested in five high-performing Native-led and Native-serving financial institutions to help them scale their small business, mortgage and affordable housing lending in underserved Native communities.

Deutsche Bank's ability to deliver community development value is potentially in jeopardy as a result of the proposed changes in the NPR. Deutsche Bank believes that the community development test should be retained for wholesale institutions as the current proposal is exclusively tailored to banks with a retail business model. In addition, we believe the deposit-based proposal for assessment area designation is ill-suited for wholesale banks and could create unintended harm for communities. Finally, the strategic plan option as proposed does not offer sufficient clarity in terms of how wholesale banks would develop an acceptable strategic plan.

Retain Community Development Test

Deutsche Bank's primary recommendation is that the community development test should be retained for wholesale institutions. A key component of the existing regulation is its flexibility to accommodate different business models of banks that are subject to the CRA. Each model provides unique benefits to their respective markets and it is important that these capabilities are maintained. This test recognizes these banks' non-traditional business models and has enabled them, over the last 25+ years, to respond to the needs of low- and moderate-income communities thru tailored lending and investing initiatives that utilize their core capabilities and products.

In contrast, the proposed CRA evaluation measure and retail lending distribution requirements do not provide an appropriate framework for wholesale institutions like Deutsche Bank. For example, the expansive nature of the proposal's definition of a retail loan could capture one-off loans made by a wholesale bank to existing high net-worth clients. This could trigger the retail lending distribution tests which a wholesale bank would be unable to satisfy without drastically changing its core business model because these institutions typically do not offer home mortgages and other types of traditional consumer credit to the retail market.

Deposit-Based Assessment Areas Are Ill-Suited for Wholesale Banks

As proposed, the deposits-based assessment area designation approach would also create unintended negative consequences including further concentrating CRA investments in discrete, wealthier metropolitan areas and adding uncertainty into the assessment area designation and CRA planning processes for banks. For instance, retail deposits as defined in the NPR include institutional and corporate deposits including from multinational companies. These are not the deposits of individuals/households and small businesses who live or work and operate in a distinct community. Rather, they generally represent a corporation's national or global operations with only a nominal nexus to the depositing corporation's "physical address". Corporate and institutional deposits tend to be large, and the addition, loss or shift of several such deposits could drastically alter a bank's assessment areas from exam to exam and even from quarter to quarter. This design prejudices wholesale banks, which operate without a branch network, to oversee their CRA programs in new assessment areas and local communities, when their assessment areas may be in flux.

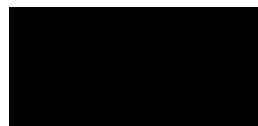
Strategic Plan Option Requires Clarity

Finally, while the proposal retains a strategic plan option, additional clarity is required to ensure that wholesale banks that decide to pursue the strategic plan option are able to work with their communities to develop a plan that reflects their unique business models, products and capabilities.

Deutsche Bank values its long history of participating in the CRA program and contributing to the community development needs of the areas that it serves. We look forward to the opportunity to continue these efforts as the CRA evolves in the future.

We appreciate your consideration of our comments. Please contact Erik Soderberg at 212 250 3729 if you require further information.

Sincerely,



Jim Baek
CRA Officer,
Deutsche Bank Trust Company Americas