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NeighborWorks®
CHARTERED MEMBER

April 6, 2020

The Honorable Joseph Otting
Comptroller, 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; Docket ID OCC-2018-008

Dear Comptroller Otting:

Community Development Corporation of Long Island (CDCLI) is grateful for the opportunity to offer comments on the Office of the Comptroller of the Currency's (OCC) Proposed Rulemaking regarding the Community Reinvestment Act(CRA).

Community Development Corporation of Long Island (CDCLI), a regional non-profit organization, was founded in 1969 by government, business, and civic leaders on Long Island who came together to address the growing demand for affordable housing. That strong tri-sector support continues today. CDCLI is a regional and national leader in community development, employs more than 85 people, serves Nassau and Suffolk counties and Brooklyn, and provides a variety of programs and services that address the dynamic challenges faced by those who live and work on Long Island.

CDCLI is committed to making dreams of long-term economic stability come true. As a chartered member of NeighborWorks®, CDCLI is certified to meet a high standard of fiscal integrity and service performance to assist local residents in achieving their dreams, and is recognized by NeighborWorks® as an "exemplary organization." CDCLI is also a certified "Green Organization."

CDCLI is a significant force for revitalizing and building strong communities, because home matters for all people. CDCLI's mission is to invest in the housing and economic aspirations of individuals and families by providing solutions that foster and maintain vibrant, equitable, and sustainable communities. This includes business lines of multi-family affordable development, to residential lending to home improvement and optimization opportunities.

One of the most central reasons for CRA's success is that it has fostered collaborations among banks, community organizations, and public sector agencies that have developed lending and investing programs and products. CDCLI strongly opposes the changes that are being suggested because we believe they will substantially weaken CRA and undermine its true intent. Under the new regulations, the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (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 LMI communities we serve. Therefore, we oppose these changes. We believe that the proposed changes would: 1) dramatically lessen CRA's focus on LMI communities in contradiction to the intent of the law to address redlining; 2) unnecessarily change the list of CRA eligible activities; 3) would reduce transparency regarding geographical areas on CRA exams due to online banking trends; 4) would further inflate bank evaluation ratings while decreasing the responsiveness of banks to local needs; 5) would result in branch closures since it would eliminate the test that scrutinizes bank branching and provision of deposit accounts to LMI customers; and 6) would require banks to engage in community development financing as part of the new CRA examination while existing small bank with assets of less than $500 million could opt out.

We are opposed to all of these proposed changes. Instead of weakening CRA, the OCC and FDIC must enact reforms that would increase bank activity in underserved neighborhoods. The agencies do not address persistent racial disparities in lending by strengthening the fair lending reviews on CRA exams or adding an examination of bank activity to communities of color in CRA exams.

All of these proposed changes would make it difficult for organizations like CDCLI to secure adequate funding to fulfill our mission of serving LMI families and communities. This proposal would result in less lending, investing, and services for communities that were the focus of Congressional passage of CRA in 1977. It would violate the agencies' obligation under the statute to ensure that banks are continually serving community needs.

We recommend that the FDIC and OCC work with the Federal Reserve Board and propose an interagency rule that will augment the progress achieved under CRA instead of reversing it.

Thank you for the opportunity to share our comments.

Sincerely,

[redacted]

Gwen O'Shea
President & CEO