



April 8, 2020

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Comments@fdic.gov

RE: Community Reinvestment Act Regulations
RIN 3064-AF22: Notice of Proposed Rulemaking,
Docket ID OCC-2018-0008

To Whom It May Concern:

The National Housing Law Project (NHLP) vehemently opposes the proposed changes to current regulations regarding the Community Reinvestment Act (CRA). NHLP's mission is to advance housing justice for poor people and communities. We achieve this by working with our network of over 700 legal services advocates around the country to strengthen and enforce the rights of tenants, increase housing opportunities for underserved communities, and preserve and expand the nation's supply of safe and affordable homes. We are deeply concerned that the proposed changes to CRA regulations will undermine these efforts at a time when our nation's massive undersupply of safe and affordable housing is already driving low-income families and communities of color into unsafe housing conditions and, often, into homelessness.

As a threshold matter, we ask that you suspend this rulemaking during the COVID-19 emergency. The pandemic has made it much more challenging for parties with so much at stake to prepare and submit thorough comments. The pandemic will also result in additional needs that are currently unknown. Suspending the rulemaking is necessary to make sure that all interested parties have a meaningful opportunity to offer comments that address the myriad impacts of this far-reaching proposal.

Although we have concerns about many aspects of the proposed changes, we object particularly to: (1) the abandonment of the low-income communities and families that the CRA was established to help, and (2) to the expansion of the types of "affordable housing" and other investments that could satisfy CRA requirements.

The proposed rule moves away from investment in low-income communities and communities of color that have suffered historically from intentional disinvestment. It would limit public input from members of affected communities and would expand the types of activities that would count for CRA credit to include lending and other programs that provide no or little benefit to these communities and that are likely to fuel displacement.

The proposed rule also threatens investment in truly affordable housing for those who need it most. It relaxes the definition of "affordable housing" in high-cost areas so that investments in housing for people with incomes of up to 120% of AMI would count for CRA credit -- likely at the expense of investments in housing affordable to low- and moderate-income households. And it would give banks CRA credit for financing projects like sports arenas and luxury housing in Opportunity Zones, further diverting resources from the needs of our most vulnerable communities.

The danger of allowing current affordable housing shortages to persist or even deepen is evident on any normal day, and it is even more evident in the context of the COVID-19 emergency. This is not a time to weaken rules that incentivize financial institutions to work for the good of local communities and invest in truly affordable housing. We urge the agency not to adopt this deeply flawed proposal.

Thank you for your time and consideration.

Shamus Roller, Executive Director
National Housing Law Project

cc: California Reinvestment Coalition