From: William Kladky <wkladky@gbchrb.org>
Sent: Wednesday, April 08, 2020 5:42 PM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN 3064-AF22

Comment: To Whom it May Concern:

The Greater Baltimore Community Housing Resource Board, Inc., strongly opposes the proposed changes to the Community Reinvestment Act (CRA) regulations.

For the past twenty years, our organization has worked with a number of other community-based organizations to advocate for fair housing and community development for minority and underserved commmunities in Baltimore City as well as the other Maryland counties of Baltimore, Dorchester, Harford, Howard, Queen Anne's, Somerset, Talbot, and Worcester. The proposed changes to the CRA would worsen the situation of these areas by lessening the impact of banks working in these areas:

(1) The definition of affordable housing would be relaxed to include middle-income housing in high cost areas. In addition, the Notice of Proposed Rulemaking would count rental housing as affordable if lower-income people could afford to pay the rent without verifying that lower-income people would be tenants. Given human nature, there needs to be verification or people will cheat. The net result is that the neighborhood is cheated.

(2) The proposed CRA changes would make such things as financing large infrastructure such as bridges and athletic stadia as CRA eligible activities. This would lessen the incentive of banks to work on local needs.

(3) The proposed evaluation system would increase lenders' ratings while decreasing the incentive that the lenders have to address local needs, such as in Baltimore. The proposed one ratio measure would encourage banks to find the biggest deals instead of addressing local needs. Neighborhood, especially those of low-moderate income, would get less attention, money, and people working together to solve problems.

(4) The proposal would relax the requirement that banks first serve the neighborhoods where they have branches before they can do business somewhere else. This will encourage banks to focus on the more profitable greener pastures instead of the nitty gritty problems of our stressed areas.

(5) The proposal would lessen the banks' local responsiveness by permitting those getting Outstanding ratings to be examined every five years instead of today's 2-3 years. As a result, given human nature, they won't do much in the first years that they cannot do in the last few months before their exam. It's like little children putting off getting their homework done until the last minute! I don't know about you, but my homework never benefited from this practice!

(6) We know Baltimore's banking situation, and we know that the proposal that banks with below $500 million in assets take a streamlined exam will hurt a lot of Baltimore neighborhoods that need the economic activity and active involvement of banks to make things better. The effect is worsened by removing the small banks' requirement to do community development financing.

In sum, we know from our twenty plus years experience in Baltimore and several other Maryland counties that the proposed changes will remove many of the incentives that banks now have to address local needs and work with local people to solve problems. Please do not undermine our neighborhoods while they already are under such stress.

Thank you for your consideration of this letter. We wish you well.

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