

April 8, 2020

Joseph M. Otting  
Comptroller of the Currency  
Comp 400 7<sup>th</sup> Street, SW  
Washington, DC. 20219

Jelena McWilliams  
Chair, Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC. 20429

**RE: Docket No. OCC-2018-0008 - OCC/FDIC's Notice of Proposed Rulemaking regarding the Community Reinvestment Act (CRA)**

People's Action is a national network of 40 state and local grassroots, power-building organizations united in fighting for justice, submits these comments in response to the OCC/FDIC's Notice of Proposed Rulemaking (the "Proposal") regarding the Community Reinvestment Act (CRA). People's Action **opposes** the proposal's drastic shift from qualitative to quantitative evaluation measures. Dollar amounts matter, but not to the exclusion of a qualitative assessment of banks' activities in meeting local community needs. The net impact of the Proposal would be to reduce bank investments and services in low- and moderate-income (LMI) communities. This runs counter to the spirit of the law itself.

People's Action is a national network of 40 state and local grassroots, power-building organizations united in fighting for justice over racism, community over greed, people and planet over big corporations. The consequences of this proposal threaten to dilute the original intent of the law and reduce the direct impact for communities it was intended to support. We cannot allow this Administration to use the COVID-19 pandemic as a way to impede or erode policies enacted by Congress to redress historic patterns of disinvestment in low and moderate income communities, which are the individuals and families our member groups and grassroots leaders represent and support. If left unchecked, we believe, there would be less accountability and decreased investments in projects like affordable housing, community revitalization and green space initiatives.

A pass-fail test for evaluating banks' retail lending distribution would prompt many banks to do *just enough* to pass. Converting the CRA activities test into a dollar-based metric would encourage banks to cut down on many small, impactful loans and projects – which together may have higher transaction costs – and instead focus on fewer, high-dollar-value projects.

The CRA is the most significant tool we have to ensure that banks meet the needs of low- and moderate-income (LMI) families and communities. Modernization must preserve what works under the CRA. As Federal Reserve Gov. Brainard recently observed, one of the "core strengths" of the CRA is creating an ecosystem that "encourages banks to engage on the priorities identified by local leaders." The Proposal would strip away this core strength in the name of supposed objectivity. To protect the CRA ecosystem, we urge you to suspend the rulemaking process, invite the Federal Reserve back to the table, and release a proposal only when all three regulators are on the same page. This approach is in the best interests of the LMI communities, non-profits, banks and the regulators.

Sincerely,

Joy Blackwood  
Director of DC Strategy  
[j.blackwood@peoplesaction.org](mailto:j.blackwood@peoplesaction.org)