

## Board of Trustees

*Mayor Frank Scott Jr.*  
President  
(Little Rock, AR)

*Mayor Shanyn Patterson-Howard*  
1st Vice President  
(Mount Vernon, NY)

*Mayor Steven Reed*  
2nd Vice President  
(Montgomery, AL)

*Mayor Byron W. Brown II*  
Treasurer  
(Buffalo, NY)

*Mayor Sharon Weston Broome*  
Secretary  
(Baton Rouge, LA)

*Mayor Sylvester Turner*  
Immediate Past President  
(Houston, TX)

*Mayor McKinley L. Price*  
Past President  
(Newport News, VA)

*Mayor Hardie Davis, Jr.*  
Past President  
(Augusta, GA)

*Mayor Eric Adams*  
(New York City, NY)

*Mayor Joseph Barnes Sr.*  
(Urbancrest, OH)

*Mayor Muriel Bowser*  
(Washington, DC)

*Mayor LaToya Cantrell*  
(New Orleans, LA)

*Mayor Lori Lightfoot*  
(Chicago, IL)

*Mayor Wayne Messam*  
(Miramar, FL)

*Mayor Brandon Scott*  
(Baltimore, MD)

*Mayor Victoria Woodards*  
(Tacoma, WA)

*Mayor Randall L. Woodfin*  
(Birmingham, AL)

## Chief Executive Officer

*Phyllis Dickerson*



July 27, 2022

Chief Counsel Office  
Attention: Comment Processing  
Office of the Comptroller of the Currency  
400 7th Street S.W, Suite 3E-218  
Washington, D.C. 20219

Ann E. Misback  
Secretary, Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue N.W.  
Washington, D.C. 20551

James P. Sheesley  
Assistant Executive Secretary  
Attention: Comments RIN 3064-AF81  
Federal Deposit Insurance Corporation  
550 17th Street N.W.  
Washington, D.C. 20429

The African American Mayors Association appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPR) regarding updating the Community Reinvestment Act (CRA) on behalf of our 500 member mayors and the municipalities they represent. This NPR represents the most significant changes to the CRA regulation and exams in 27 years.

CRA will be more effective in bolstering bank reinvestment activity in underserved communities, the more rigorous CRA exams and ratings are. The NPR proposed some significant improvements in test rigor, but the improvements are not across the board on all aspects of exams. The NPR also improved data collection and the breadth of geographical areas on exams but did not include race on exams.

Persistent racial disparities in lending should compel the agencies to incorporate race and ethnicity in CRA exams. A recent national level analysis showed continuing disparities in loan denials by race and when people of color received home loans, their equity accumulation was less. NCRC had asserted in a paper that it is possible for changes to CRA to comply with legal standards if CRA examinations incorporate lending by race and ethnicity in geographical areas experiencing ongoing discrimination. By including race and ethnicity, CRA can help to identify and address persistent racial disparities that have direct impacts on quality of life and health outcomes.

I write to also support putting greater emphasis in CRA exams for investment in affordable homeownership, including investment for the “Missing Middle,” or those with incomes between 80-120% of the Area Median. A number of our member mayors have made it a priority to reinvest in under-resourced communities in their cities, which are predominantly communities of color. These communities will suffer if banks are not given appropriate additional credit on CRA exams for taking the more innovative approach to community lending and investment of providing wealth-building opportunities through homeownership, particularly for people of color. Whether through mortgages, or particularly through equity and debt investment designed to assist nonprofit and impact-investment funds and developers, banks must become a critical investor charged with the responsibility of creating that wealth in our communities.

In short, banks can greatly assist Black communities and, at the same time, aid in growing the Black homeownership rates by providing greater CRA credit to banks that work with mayors and their partners to build mixed-income communities where redlining and race-based capital deserts would otherwise make redevelopment and elevation of these communities nearly impossible. Since CRA requires banks to meet the needs of communities, the agencies must also elevate the importance of public comments regarding the extent to which banks meet needs. The agencies proposed to continue the current practice of sending any comments on CRA performance to banks and are also considering publishing comments received on agency websites. We urge the agencies to post comments on their websites and also to establish a public registry for community organizations to sign up if they wish to comment on CRA performance. In addition, we ask that the agencies publish a list of organizations that comment and that the agencies identify those led by people of color and women in an effort to seek input from a diverse range of organizations.

The agencies bolstered the rigor on the large bank retail lending test by introducing performance ranges for comparisons among a bank’s lending and demographic and market benchmarks. This approach would decrease ratings inflation and result in more failing and low satisfactory ratings on the lending test. As a result of this proposed reform, several banks would likely respond by boosting their retail lending to underserved communities. The other large bank tests such as community development finance and services include improvements but need to be further developed to guide examiners against inflating ratings.

The agencies proposed to eliminate certain subtests for about 1,000 medium-sized and smaller banks that would eliminate their accountability for providing community development finance and branches in underserved communities. These changes lack justification since these banks have been successfully performing these activities for several years. We urge the agencies to eliminate this aspect of the NPR since it would reduce reinvestment activity.

The NPR is a good start and promises to make parts of CRA exams more rigorous but we urge the agencies to extend the rigor of the large bank lending test to the other tests. We also ask the agencies to incorporate race in CRA exams, to expand the public reporting of their data collection proposals and to incorporate the other improvements discussed above. If CRA is improved while maintaining public input and accountability, we believe the proposed rule could help reduce inequalities, disinvestment and other disadvantages in America's overlooked communities.

Sincerely,



Mayor Frank Scott, Jr.  
President, African American Mayors Association  
Mayor of Little Rock, Arkansas