



August 3, 2022

sent via email to [comments@fdic.gov](mailto:comments@fdic.gov)  
James P. Sheesley, Assistant Executive Secretary  
Federal Deposit Insurance Corporation

Chief Counsel’s Office  
Office of the Comptroller of the Currency

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System

Re: RIN 3064-AF81 – Comments on Joint Proposal to Strengthen and Modernize CRA Regulations

Sir/Madam,

Thank you for the opportunity to comment.

The regulatory agencies’ work on this proposed rulemaking was ambitious indeed. As we reviewed it through lens of its impact on our \$600+ million mutual bank and the local community we serve, we’re happy to say that, overall, we like it!

We like it because it’s true to CRA’s core goals related to access to credit, investment and banking services; it reflects changes in the banking industry since 1977/1995; it appears that it will improve transparency for bankers; it continues to correlate CRA burden to bank size; and it largely maintains a unified approach, with an exception we note in our responses to Questions 51 and 141.

For your consideration we provide comments below on select topics:

Primary Purpose of Community Development – The proposed clarifications of how to meet the ‘primary purpose’ standard are helpful and clear. Thank you.

Question 27 - Financial Literacy Activities – Consideration of financial literacy activities should be expanded to include activities that benefit all income levels, including low- and moderate-income. The agencies rightly observe that tracking the income levels of participants in such activities can be difficult, and perhaps off-putting to the participants themselves.

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Question 33 - Qualifying Activities Confirmation – The proposed illustrative list and feedback mechanism for qualifying activities would be welcome. Thank you for including those features in the proposed rule. It seems the feedback mechanism is intended to provide bankers with a clear yes/no answer to inquiries. That’s good. Allow us to illustrate the importance of such direct responses: Over the last two years, as our bank administered Paycheck Protection Program (SBA) loans and Main Street Lending Program (Fed) loans, we would sometimes be stumped about a certain situation, despite our best efforts to interpret those programs’ rules. In such cases we would reach out to appropriate representatives of SBA and/or Fed seeking answers. Too often the (non)responses we received were boilerplate ‘see (citation) of the program rules.’ Which, of course, we had already reviewed before we posed our question. Those instances were frustrating and not helpful. If the agencies proceed with the feedback mechanism proposed, which we applaud, then please staff that area with knowledgeable people who have the authority and expectation to provide direct, situation-specific responses.

Question 48 - Areas for Eligible Community Development Activity – Yes, all banks should have the option to have community development activities outside of facility-based assessment areas considered. The smallest of banks often struggle the most to find and fulfill certain types of community development activities within their (typically) narrow assessment area.

Question 51 - Asset Thresholds – No, the agencies should not adopt an asset threshold for small banks that differs from the SBA’s size standard of \$750 million. The proposed increase to \$600 million is directionally appropriate, but wouldn’t it be better – *and in keeping with the theme of a unified approach* - to simply conform to the \$750 million SBA number<sup>1</sup>?


Community Development Financing Test – It was a really good idea to merge the community development loan and investment metric. Such investments can be much harder for smaller banks to make. Given that the community impact is often not much different between the two, this aspect of the proposed rule will go a long way to solving a form-over-substance flaw of the current regulation.

Question 141 - Performance Standards for Small and Intermediate Banks – The proposed preservation of the current framework for small banks is smart and appreciated. Thank you. We reiterate the comment in our response to Question 51 above – the tailoring of performance evaluations for small banks would be further enhanced by unifying the size limit with the existing \$750 million SBA threshold.

Thank you for your consideration of our comments.

Sincerely,  
CENTURY SAVINGS BANK

  
Nia Coombs  
VP/CRA Officer

  
David J. Hanrahan  
President

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<sup>1</sup> And as a practical matter, at the current pace of inflation, it may not be long before \$600 million CPI-adjusts to \$750 million anyway. Therefore, it would be a low-cost concession by the agencies to adopt \$750 million now.