



DAVID LACY
PRESIDENT & CEO

August 3, 2022

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551.

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

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, suite 3E-218
Washington, DC 2021

Via Federal eRulemaking Portal – Regulations.gov

Re: RIN 1557-AF15; RIN 3064-AF81; RIN 7100-AF[•]

Ladies and Gentlemen,

On May 5, 2022, the Office of the Comptroller of the Currency (“OCC”), the Board of Governors of the Federal Reserve System (“The Board”), and the Federal Deposit Insurance Corporation (“FDIC”) (collectively, “the agencies”) promulgated a Notice of Proposed Rulemaking, proposing major revisions to the implementing regulations of the Community Reinvestment Act.

The Community Reinvestment Act (“CRA”) states that “regulated financial institutions have continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered.” Our small community bank, with four locations in McLennan County, Texas, has done exactly that since the CRA was enacted in 1977. In fact, our small community bank has met the credit needs of low-to-moderate populations in the communities we serve since our doors first opened in 1952. And today, we have loans extended to borrowers living in each and every census tract within McLennan County, Texas ... how many financial institutions can say that about the communities they serve?!?

Our small community bank recognizes that a modernized regulatory framework for CRA would perhaps benefit both banks and the communities they serve. However, we believe the collective impact of the CRA revisions, as proposed by the agencies, will cause small community banks to experience undue regulatory burdens and costs – both of which would diminish our small community bank’s purpose to meet the credit needs of the communities we serve.

Look at the number of total bank charters ten years ago, and the number of bank charters today. Most of the decline in bank charters has been smaller banks in smaller cities. This negatively impacts the credit needs of low to moderate borrowers in these smaller cities.

If the agencies wish to pursue implementation of their CRA revisions as proposed, we encourage them to use their collective influence to carve-out and exclude small community banks, and target the largest financial institutions (including credit unions) for implementation. Such a definition should (at least) be \$1 billion and down in assets.

In closing, we encourage the agencies to take this opportunity to modernize the CRA regulatory framework in a manner that will be: (1) commensurate with the size, complexity, and risk profile of the underlying financial institutions (including credit unions); (2) beneficial to all stakeholders; and (3) helpful to small community banks (and not a hindrance) in supporting their vital roles of meeting the credit needs of all populations in their local communities.

Respectfully submitted,



William David Lacy
President and CEO