



08/04/2022

To Whom It May Concern:

Re: Comments & changes needed on CRA NPR: OCC Docket ID OCC-2022-0002; FDIC RIN 3064-AF81; Federal Reserve Docket No. R-1769 and RIN 7100-AG29

As President and Chief Executive Officer of Greater Jamaica Development Corporation (GJDC), one of the premier community development corporations in the United States, I am compelled to comment on some of the unsatisfactory aspects of the proposed CRA rules. For the reasons stated below, we cannot support it without significant changes.

GJDC is a community building organization that promotes responsible development and serves a predominantly minority service geography of small businesses. We provide a free suite of technical support services as well as operate a Community Development Financial Institution (GJLDC & GJDC). The CDFI lends critical capital to small businesses which are typically unable to access traditional financing due to short or poor credit history, systemic barriers, and/or inability to create documents needed for bank lending.

With our extensive knowledge of bank and financial services, the CRA and its proposed changes are of utmost importance to us. It has been an important element in ensuring access to banking in underserved neighborhoods (like the areas we serve).

Yet, for all its benefits, the CRA has not kept up with significant changes in the banking industry, **nor has it addressed persistent racial disparities and inequities.** It has been 40 years since the CRA was passed and the racial wealth gap is wider than ever. **The average Black and Latinx households earn about half as much as the average White household and only have about 15% to 20% as much net wealth.**

This proposal represents the first major update of the CRA in over 25 years and we appreciate the regulators working together to offer several positive steps forward such as: more rigorous data-driven lending tests; a focus on smaller businesses; more data disclosure and analysis of bank deposits and products at the largest institutions; lending-based assessment areas; anti-displacement criteria in some community development categories; and expanded discrimination downgrades to include non-credit consumer violations (e.g., opening fake bank accounts)

However, these changes fall far short of what our communities need and deserve and we cannot support the proposal without significant changes and additions. If the NPR passes as it is, the regulators will have missed this historic opportunity to ensure that the CRA meets its intended purpose to address redlining and other racial disparities in our financial systems. How much longer must we wait for meaningful reform that addresses decades of extraction and harm done to BIPOC communities?

We believe the following recommendations must be instituted in order for the proposed rule changes to adequately serve the needs of our community:

1. **Race & CRA:** The CRA is a civil rights law that was passed in response to discrimination and redlining, yet the racial wealth gap is larger than ever. Color-blind policies do not work. The CRA must be race-conscious, with affirmative obligations to serve BIPOC people and communities and downgrades for harm.
2. **Loopholes:** The proposal fails to close existing loopholes in the CRA, and in fact creates new loopholes that could exclude banks from analysis in many areas.
3. **Community input:** The communities most impacted by our inequitable financial system must be central to the CRA process.
4. **Retail Lending Test: Mortgage lending:** Must increase access to affordable mortgages for LMI and BIPOC people to access and maintain homeownership.
5. **Retail Lending Test: Small Business lending:** Must increase access to the loans and lines of credit very small and BIPOC-owned businesses have long been lacking.
6. **Responsible Multifamily lending.** The CRA must incentivize responsible multifamily lending and downgrade banks for financing landlords that harm and displace LMI and BIPOC tenants.
7. **Access to Banking & consumer lending:** The CRA must do a better job increasing access to banks and banking in already underbanked BIPOC communities, with penalties for closing or not serving at all.
8. **Community Development Finance: Loans, Investments, Grants:** Must increase access to financing for projects that benefit LMI and BIPOC people and communities, especially where bank financing is hard to access. Don't combine loans & investments. There must be downgrades for harm.

Southeast Queens County, our service area in the borough of Queens, has been victimized by persistent lack of available banking for many years. Surrounding areas, however, are very well-banked. Without meaningful CRA intervention, this problem will continue to plague our community. The changes we suggest will alleviate and hopefully solve this under banking.

Thank you for the opportunity to comment on the CRA proposal.

Please feel free to contact the undersigned with any questions.

Sincerely,



Justin K. Rodgers
President & CEO