



August 3, 2022

To Whom It May Concern:

Working In Neighborhoods (WIN) builds and rehabs single family homes for first time home buyers as a HUD housing counseling agency. WIN helps Greater Cincinnati families to improve their economic situation including homeownership, wealth creation and finding a stable place to live. WIN appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPR) regarding updating the Community Reinvestment Act (CRA). This NPR represents the most significant changes to the CRA regulation and exams in 27 years. Over the past 40 years WIN has been helped by CRA in two primary ways.

Access to capital to build and rehab single family housing in low -income communities of Cincinnati Ohio. This has allowed us to help over 170 families to purchase their first home- all of which are energy efficient.

WIN has had a partnership with many Banks to provide good quality mortgage loans to these families and families throughout our MSA. WIN provides housing counseling and financial literacy. This has been supported in part by our partner banks as well banks have provided volunteers to teach these classes and rehab homes. Finally, WIN has been able to work with families to get loan modifications for over 1800 families. This has made it possible for the families to have healthy affordable homes to raise their families in and to age in place.

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. In our housing counseling we have often seen financial institution discriminate against individuals by race and age as well as neighborhoods through discriminatory appraisals they determine too risky to loan in or require a higher cost loan. CRA exams are one way we can see how successful we are in increasing African American and minority buyers. The stats show extreme disparities between these groups and white buyers. Examples could be to address disparities.

NCRC had asserted in a paper that it is possible for changes to CRA to comply with legal standards if CRA examined lending by race and ethnicity in geographical areas experiencing ongoing discrimination. By including race and ethnicity, CRA can identify and address persistent racial disparities that have direct impacts on quality of life and health outcomes.

Since CRA requires banks to meet the needs of communities, the agencies must elevate the importance of public comments regarding the extent to which banks are meeting community 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 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 commented and that the agencies identify those led by people of color and women to seek input from a diverse range of organizations. (Reclassifying banks as small and intermediate small banks (ISB) would reduce community reinvestment activity All banks have a solemn responsibility to do right by their community. By adjusting asset thresholds for qualifying for various CRA exams, the agencies proposed to reclassify 779 ISB banks as small banks, which would involve no longer holding these banks accountable for community development financing.

In addition, the agencies proposed to reclassify 217 large banks as ISB banks, eliminating their service test and accountability for placing branches in LMI 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 agencies correctly proposed to include new data collecting requirements for deposits, community development activities and automobile lending. Some of this data such as deposit and automobile lending would not be publicly available, which limits the extent to which the public can hold banks accountable. We ask the agencies to reconsider this decision and to expand this data collection to all large banks.

Advocates have urged the agencies to examine lending that occurs online. The agencies proposed to create assessment areas where a large bank does not have branches when a bank has issued 100 home loans or 250 small business loans This proposal would result in the great majority of total lending being incorporated on exams and would therefore hold banks more accountable for serving low- and moderate-income communities. However, the agencies must further ensure that exams do not overlook assessment areas containing smaller metropolitan areas and rural counties. Reclassifying banks as small and intermediate small banks (ISB) would reduce community reinvestment activity All banks have a solemn responsibility to do right by their community. By adjusting asset thresholds for qualifying for various CRA exams, the agencies proposed to reclassify 779 ISB banks as small banks, which would involve no longer holding these banks accountable for community development finance. In addition, the agencies proposed to reclassify 217 large banks as ISB banks, eliminating their service test and accountability for placing branches in LMI 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

Small banks are often the only banks that provide products that work in these communities 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.

Thank you for your consideration for further information contact me at 513-541-4109 ext. 130 or bbusch@wincincy.org.

Sincerely

S. Barbara Busch
Executive Director