



3701 Wilshire Boulevard, Suite 700
Los Angeles, CA 90010
T (213) 480-0809
F (213) 480-4189
www.acof.org

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Office of the Comptroller of the Currency:
<https://www.regulations.gov/comment/OCC-2022-0002-0001>
Federal Deposit Insurance Corporation: comments@fdic.gov
Federal Reserve Board: regs.comments@federalreserve.gov

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

Dear Public Agencies:

A Community of Friends (ACOF) appreciates the opportunity to provide comments to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board on the Notice of Proposed Rulemaking (NPR) that would update the Community Reinvestment Act (CRA).

The CRA is a critically important regulatory tool to address redlining practices of financial institutions and spurring economic investment in low-income communities throughout the country. ACOF is particularly interested in CRA changes. As a nonprofit affordable housing developer based in Los Angeles, ACOF develops and operates permanent supportive housing for formerly homeless individuals and families affected by mental illness. In the past 34 years, we have completed 51 apartment buildings housing over 2,700 of the most vulnerable people in our communities – low-income households with disabilities, 85% of which have incomes less than \$19,000 a year. In many cases, CRA has been the impetus for financial institutions to collaborate with ACOF in this work – through the provision of loans, tax credit equity, and grants.

The proposed NPR updates appear to improve the CRA in several ways, including exam methodology, data collection, and geographic coverage. There are a few other changes our organization would recommend to further strengthen the CRA's effectiveness.

- **Low Income Housing Tax Credit (LIHTC):** The current proposed rule does not include LIHTC as an impact factor for CRA. Nonprofit supportive housing developers that are working to end homelessness at scale for people with limited resources are heavy utilizers of this financial resource, which is allocated at the local level to expand affordable housing options and addressing this critical community needs.



- **CRA Exams and Race:** CRA exams should consider customer race and ethnicity as part of the evaluation of bank lending. The purpose of the CRA was to restabilize capital investment in communities that were excluded from banking investments due to racist housing and planning practices. Using Home Mortgage Disclosure Act (HMDA) data as a tool to produce exam tables describing the lending by race does not go far enough impact a bank's rating.
- **Making Data Publicly Available:** Although the proposed rule improves upon data collection requirements for community development activities, deposits, and automobile lending, it does not appear to require this information be made public. Failure to make this information public limits the accountability of banks, particularly when determining a bank's effectiveness in reaching underserved communities. Additionally, data collection should be required of all large banks as opposed to the current proposal which only applies to banks with assets of more than \$10 billion in deposits and automobile lending.
- **Public Input in CRA Exams:** In addition to making public data available, another measure of accountability is the opportunity for public input in CRA exams, similar to public input into CRA rulemaking. A simple way to accomplish this is the creation of a public registry for organizations to sign up if they wish to be contacted regarding a bank's CRA performance in meeting community needs.
- **Automatic Eligibility for NeighborWorks, CHDOs and other HUD-approved organizations:** ACOF notes that the proposed rule provides for automatic enrollment of activities undertaken with CDFIs as eligible for CRA credit. There are several other organizations that fulfil a similar mission of promoting community development and provide financial products and services to low- or moderate-income individuals and communities, such as NeighborWorks America Community Housing Development Organizations (CHDOs), and HUD-approved Housing Counseling Organizations and other nonprofit organizations. We therefore recommend the proposed rule extend this same treatment to these similar nonprofit agencies.

Thank you again for the opportunity to provide input into the rule-making process.

Sincerely,



Dora Leong Gallo
President & CEO