

August 5, 2022

Re: Federal Reserve, FDIC, and OCC Notice of Rulemaking on the Community Reinvestment Act  
**Federal Reserve Docket Number R-1769 and RIN Number 7100-AG29**  
**FDIC RIN 3064-AF81**  
**OCC Docket ID OCC-2022-0002**

To Whom It May Concern:

NeighborWorks Housing Solutions appreciates the opportunity to comment on the Joint Notice of Proposed Rulemaking (NPR) on the Community Reinvestment Act published on June 3, 2022 by the Board of Governors of Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC). The COVID pandemic and the resulting events of the past two years have cast the disparities between low- and moderate-income neighborhoods and more affluent communities into stark relief. The Community Reinvestment Act (CRA) is a critical tool in addressing these inequities on a broad basis. We appreciate the joint efforts of the agencies to strengthen CRA in order to ensure that banks engage in meaningful efforts in the communities where they are most needed.

NeighborWorks Housing Solutions (NHS) is a housing and community development organization that has developed nearly 900 units of affordable housing; has an additional 471 units in the development pipeline, currently owns and manages nearly 800 homes and apartments; and provides close to 2,900 rental subsidies across more than 75 communities in southern Massachusetts. We are a Community Development Financial Institution (CDFI) and chartered member of NeighborWorks America. We also offer homelessness prevention services; housing counseling and education; and homeowner and small business lending and technical assistance. It is primarily through these services that we have witnessed the pandemic's devastation of personal and small business finances in low- and moderate-income neighborhoods. We are the regional administering agency for federal and state emergency rental assistance funds for 56 communities across southeastern Massachusetts, assisting tens of thousands of tenants and homeowners over the course of the last two years.

Many of our housing production and economic development efforts have been directly attributable to CRA activities of local banks. CRA activities have fueled our Low-Income Housing Tax Credit (LIHTC) developments. Over the last ten years, we have developed more than 360 units through LIHTC with more than 130 in the pipeline. In addition to those affordable housing developments, we have used CRA collaborations to provide the Brockton Venture Loan Fund, enabling us to offer small businesses a fixed rate loan to support expanding business in downtown Brockton. We are fortunate to have partnered with many committed banks and financial institutions on these projects.

We appreciate the overall approach within the NPR to make the CRA exams more objective and transparent. Our concern is whether or not these efforts go far enough. What is the anticipated impact of these reforms on ratings? A grading system that results in the same institutions meeting the CRA requirements will not provide the motivation and intentional investment required in low- and moderate-income communities at this unprecedented moment in time. We would also encourage that a broader range of data and assessments be made public.

The NPR identifies the importance of addressing racial inequities. We believe that examination of lending by race and ethnicity will serve to highlight disparities and should be included in the CRA exams. The key organizing principle of CRA has been to address inequities in housing and lending due to prior governmental and private practices. Examining these practices remains critical to that mission. There are a number of ways this could be addressed including CRA consideration for lending and investing in majority minority census tracts outside of assessment areas, similar to the proposed consideration for Native American reservations and underserved areas.

We encourage the continued focus of CRA on low- and moderate-income (LMI) communities. Rather than expanding consideration of financial education to any income group, we recommend maintaining the targeting on LMI consumers. CRA credit for financial education or other community development activity could still be earned for additional subgroups such as people of color, people with disabilities, or older adults. We support the proposal to expand assessment areas, and eliminate distinctions in the rigor of examinations that have in the past resulted in banks neglecting smaller cities, rural areas, and Native American reservations.

We support the eligibility for CRA credit of activities that support, or are conducted in partnership with, certified Community Development Financial Institutions (CDFIs). The justification noted in the NPR that “these organizations often have intimate knowledge of local community development needs and opportunities, allowing them to conduct highly responsive activities” applies to NeighborWorks America chartered organizations as well. NeighborWorks organizations also have a mission of meeting the need of “low- and moderate-income and other underserved individuals, communities, and small businesses”. Additionally, organizations that are part of NeighborWorks America have met rigorous and extensive standards for inclusion and undergo continual review. We would encourage a comparable eligibility for the activities of NeighborWorks organizations, similar to the status of CDFIs.

The Community Reinvestment Act of 1977 was established to address fairness and access to housing and credit. While it has been successful, those goals have not been fully realized. Now is the time to fully fortify the Act, and keep it true to the statutory intent of increasing investment in low- and moderate-income communities, not simply maintaining the status quo. We appreciate the steps that the agencies have proposed and urge diligence as we work with communities recovering from the challenges of the last several years.

Very truly yours,



Robert Corley  
Chief Executive Officer