

Message

---

**From:** Gerardo Espinoza [gespinoza@leaffund.org]  
**Sent:** 8/6/2022 2:05:15 AM  
**To:** Comments [comments@fdic.gov]  
**Subject:** [EXTERNAL MESSAGE] Comments - Notice of Proposed Rulemaking

Dear Sir/Madam,

I am writing on behalf of the Local Enterprise Assistance Fund (LEAF), a CDFI with a national footprint based in Boston. We appreciate the opportunity to comment on the Notice of Proposed Rulemaking (NPR) regarding updating the Community Reinvestment Act (CRA). Economic and social inequities made evident in the last two years argues that the CRA is needed now more than ever.

CRA will be more effective in bolstering bank reinvestment activity in underserved communities, the more rigorous CRA exams and ratings are. 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.

Persistent racial disparities in lending should compel the agencies to incorporate race and ethnicity in CRA exams. By including race and ethnicity, CRA can identify and address persistent racial disparities that have direct impacts on quality of life and health outcomes.

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 comment and that the agencies identify those led by people of color and women in an effort to seek input from a diverse range of organizations.

The agencies bolstered the rigor of the large bank retail lending test by introducing performance ranges for comparisons among a bank's lending and demographic and market benchmarks. We welcome this initiative.

The agencies correctly proposed to include new data collecting requirements for deposits, community development activities, and automobile lending. Some of

this data such as deposits 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. We believe the agencies must further ensure that exams do not overlook assessment areas containing smaller metropolitan areas and rural counties.

The agencies proposed eliminating 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. 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.

Sincerely,

Gerardo Espinoza

Executive Director - Local Enterprise Assistance Fund (LEAF)