

# Thistle Community Housing



August 12, 2022

Thistle Community Housing  
6000 Spine Road #101  
Boulder, CO 80302

RE: A Community Focused Community Reinvestment Act  
The Federal Reserve Board  
The Office of the Comptroller of the Currency  
The Federal Deposit Insurance Corporation

Dear Regulatory Leaders –

Thistle Community Housing, a non-profit affordable housing developer in Boulder, Colorado, and a NeighborWorks America Organization, is reaching out 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.

The Community Reinvestment Act (CRA) has led to over \$1 trillion in mortgages, small business loans, and economic development for under-served neighborhoods since 1990. The Office of the Comptroller of the Currency (OCC), the regulator of our nation's largest banks, adopted changes that could lead to significantly less investment, lending, and service in assessment areas.

With this, Thistle Community Housing would like to make our voice heard to increase the reach of CRA and its effectiveness to our communities' and their access to investment, lending, and service of the banking industry. Specifically, we would like to see the following adopted -

- **Automatic Eligibility for NeighborWorks organizations:** The current proposed rule offers an automatic enrollment of activities undertaken with a CDFIs as eligible for CRA credit. NeighborWorks organizations should be considered under similar logic as our organizations have missions of promoting community development and provide financial products and services to low- or moderate-income individuals and communities. Similarly, we recommend the agencies extend this treatment to HUD-designated Community Housing Development Organizations (CHDOs), HUD-approved Housing Counseling Organizations & Nonprofit Organizations.
- **Low Income Housing Tax Credit (LIHTC):** The current proposed rule does not include LIHTC as an impact factor for CRA as LIHTC and the allocations of this housing credit prioritize areas within a

state or local jurisdiction that can benefit most primarily from expanding affordable housing options and addressing community needs.

- **Community Development Activities and Assessment Areas:** The proposed rule supports allowing consideration of community development activities outside of a bank's assessment area. Because many areas across the nation are remote and far removed from credit opportunities, allowing this flexibility to expand and support affordable housing production and preservation and other community development activities outside of the assessment area will incentivize banks to invest in these high-need remote areas.
- **Weighting Retail and Community Development Tests:** Of the two proposed tests under the proposed rulemaking, the weighting of these standards will, unfortunately, lead to investors disincentivizing banks from securing an Outstanding on community development activities. This places community development activities at a low tier and risks banks deprioritizing community development as a key factor to receiving the credit – counter to the original legislation's intent.
- **CRA Exams and Race:** We need a CRA final rule to allow lending examinations by race and ethnicity in geographical areas experiencing discrimination or showing racial disparities in lending activities to be incorporated into CRA exams. The purpose of the CRA was to restabilize capital investment in communities often excluded from banking investment initially caused by racist housing and planning practices, and as such we need a more robust exam.
- **Robust Public Input Mechanisms in CRA Exams.** We need to create a public registry for organizations to sign up for should they wish to be contacted regarding a bank's CRA performance in meeting community needs. A robust engagement with community organizations by the agencies will display a commitment to accountability from a diverse array of entities and allow public input to remain a prominent factor during CRA performance evaluations.
- **Making Data Publicly Available:** The agencies' proposal includes significant improvements in data collection requirements for community development activities, deposits, and automobile lending but needs to go further. We cannot limit the accountability of the banks to the public, particularly when determining a bank's effectiveness in reaching underserved communities.

A recent national level analysis showed continuing disparities in loan denials by race and when people of color received home loans, their equity accumulation was less. We can do better, and if the above changes can be made to the NPR, the Community Reinvestment Act will be more effective in bolstering bank reinvestment activity in underserved communities.

We here at Thistle Community Housing greatly appreciate your attention to this matter.

Sincerely,

Paul E. D'Angelo  
Thistle Community Housing CEO