

## THE COMMUNITY PRESERVATION CORPORATION

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May 17, 2013

Legislative and Regulatory Activities Division  
Office of the Comptroller of the Currency  
Mail Stop 9W-11  
400 7th Street SW  
Washington, DC 20219  
Attention: Docket ID OCC-2013-0003

Robert deV. Frierson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551  
Attention: Docket No. OP-1456

Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429  
Attention: Comments

Re: CRA: Interagency Q&A Regarding Community Reinvestment

Ladies and Gentlemen:

The Community Preservation Corporation (CPC), a nonprofit affordable housing lender serving the State of New York, is pleased to submit comments on the above-referenced Q&A. CPC has been financing affordable housing since 1974 with the support of our member financial institutions, who supply CPC with lines of credit for its operations. In our 39 years of activity CPC has financed the development or preservation of over 150,000 housing units, representing public and private investments of over \$8 billion.

We are writing in unqualified support of proposed revised Q&A \_\_.12(h)-7, and in qualified support of proposed revised Q&As \_\_.12(h)-6 and \_\_.12(i)-3. We have no comments on the remaining two proposed revised questions and answers, nor on the two proposed new questions and answers.

**Q&A \_\_.12(h)-6 & \_\_.12(h)-7:**

As a statewide (formerly regional) community development lending intermediary, CPC is fully familiar with and greatly values those sections of the Q&A that have sought to assure financial institutions that their support for CPC will be considered in their CRA evaluations, even though some of our activities may take place outside their particular assessment area(s). Moreover, New York State is a prime example of the type of geography described in the Agencies' Q&A Notice, in which a major city (New York City) has a significant concentration of financial institutions and investment in community development while a broader area (Upstate New York) experiences underinvestment despite significant need. We therefore appreciate the Agencies' efforts to clarify the Q&A in this regard, and we fully support the revision to Q&A \_\_.12(h)-7.

With respect to the proposed revision to Q&A \_\_.12(h)-6:

- We believe the words "must be performed in a safe and sound manner consistent with the institution's capacity to oversee those activities" are unnecessary and will lead to confusion. All loans, investments and services by depository financial institutions must meet safety and soundness standards, whether or not they are related to community development. To single out those done in support of statewide or regional community development organizations with this special admonition implies that some added oversight by the financial institution is necessary in such cases. We suggest deleting those new words from the Q&A.

- Similarly, we believe the words "in lieu of" in the clause "may not be conducted in lieu of, or to the detriment of, activities in the institution's assessment area(s)" are also potentially confusing and should be deleted, leaving that clause to read simply "may not be conducted to the detriment of activities in the institution's assessment area(s)." Any particular activity by a statewide or regional community development organization (an affordable multifamily loan in Upstate New York, say) could be argued to be *in lieu of* some other particular activity that the organization could have done at the same time (a similar loan in New York City, for example), simply because the organization's capacity is not unlimited. To avoid lending institutions having to parse the motives behind every transaction conducted by a statewide or regional organization, the Q&A should employ the less ambiguous "detriment" standard alone.

**Q&A \_\_.12(i)-3:**

CPC emphatically endorses the clarification to Q&A \_\_.12(i)-3 to include service on the board of directors of a community development organization as an explicit example of technical assistance that would receive CRA consideration. We question only the apparent limitation in the existing text to "financial matters," since directors provide invaluable expertise in all manner of areas that support community development organizations, including corporate governance, general risk mitigation, human resources and even information technology, among others. We at CPC rely heavily on the broad professional experience of our directors and on their willingness to make substantial time commitments to serve on our board and its various committees.

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Thank you for your attention to these comments. Please contact me with any questions you may have.

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