

Jacksonville Area Legal Aid, Inc.

A Wealth of Justice for Those Who Have Neither

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January 30, 20

Re: Notice of Proposed Rulemaking / CRA Regulations

To Whom it May Concern:

Jacksonville Area Legal Aid, Inc. (JALA) opposes the proposed changes to the Community Reinvestment Act (CRA) regulations because the changes would weaken the Act, by lessening the public accountability of banks to their communities. The result will be significantly fewer loans, investments and services to low- and moderate-communities (LMI), already a critical issue for Jacksonville.

JALA has worked on these issues for years - our lawyers remember when First Union was redlining a Jacksonville neighborhood called Springfield. When First Union wanted to acquire Florida National Bank, the Controller of the Currency encouraged First Union to satisfy their CRA obligations before allowing the merger. First Union undertook several projects around the state. The bank agreed to join a loan consortium for Springfield that was a tremendous benefit to Springfield and ultimately the City of Jacksonville.

The proposed rules would set us back and return Jacksonville to the racist policies of the past. The definition of affordable housing would be relaxed to include middle-income housing in high cost areas.

The proposed rule is substantially misguided - the financing of large infrastructure such as bridges would now be a CRA eligible activity. Financing football stadiums in Opportunity Zones would be an eligible activity.

Other bad ideas are contained in the proposed rule - the agencies propose a one ratio measure that would divide the dollar amount of CRA activities by deposits, thus encouraging banks to find the largest and easiest deals anywhere in the country, as opposed to doing business where the bank's customers actually reside.

Better policies exist and would be easy to add to the rule: the agencies should enact reforms that would increase bank activity in underserved neighborhoods, add a category on CRA exams relating to underserved census tracts, which would likely include a high number of communities of color, and encourage the public release of data on consumer lending and economic development activities.

These poorly thought out proposed rules would result in less lending, investing and services for communities that were the **focus** of Congressional passage of the Act itself in 1977.

Sincerely,



James A. Kowalski Jr.
President and CEO



Carol S. Miller
Head of Community Development