



February 27, 2020

To whom it may concern:

As a leading service provider to low and moderate-income homebuyers and homeowner's in Central Vermont for over 30 years, Downstreet Housing and Community Development (Downstreet) strongly oppose the changes to the Community Reinvestment Act (CRA) regulations proposed by the OCC and FDIC. The CRA plays a critical role in addressing discrimination and equity in low-and-moderate-income (LMI) communities across the country, and Downstreet believes these changes if adopted, will drastically undermine the initial purpose of the CRA and unwittingly result in significantly fewer loans, investments, and service to LMI communities.

Our specific concerns regarding the proposed changes are as follows:

- The new scoring system would allow banks to completely ignore almost half of the communities where they have branches and still pass their exams; we fear this freedom margin will drastically result in a swift loss in bank involvement in LMI communities.
- The proposed changes would encourage banks to seek out large dollar deals and discourage loans to people with LMI and small businesses because the loans are much smaller and offer less reward in comparison
- The invaluable system that gives credit to banks for having branches in LMI communities will be weakened and would likely lead to massive branch loss of presence in communities that are already underserved; this will have a catastrophic effect on our rural LMI communities
- The proposal would lessen the public accountability of banks by not accurately measuring its responsiveness to local needs
- The proposal redefines community development to include large infrastructure projects like stadium improvements in LMI Opportunity Zones, which further encourages banks to seek out larger deals over smaller loans to meet the ratio for the total dollar volume metric
- The definition of affordable housing would be relaxed to include middle-income housing in high-cost areas, diverting necessary capital from serving our most vulnerable populations
- The proposal would redefine small businesses and family farms with higher revenues, again encouraging banks to focus on larger loans to bigger businesses instead of smaller community-style loans, which will constrict earning and opportunity potential for vulnerable LMI populations

I implore you to use caution in considering the proposed changes to the CRA and that any revisions adopted are in the spirit of the original purpose of the CRA to expand financial opportunities and encourage investment in LMI communities. In the current form, the proposed changes will, in no doubt, have a reverse effect.

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We have seen firsthand the tremendous benefits that have resulted from local banking investments for our fellow Vermont neighbors, our communities, our organization, and the banking institutions themselves. We applaud the efforts of our local financial institutions working with us to invest in our community as tens of thousands of lives and dozens of communities are better off today as a result. We look forward to continuing these partnerships, rather than having them weakened under the current Notice of Proposed Rulemaking. Thank you for your consideration.

With peace and purpose,

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Executive Director

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