



March 9, 2020

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

Re: "Community Reinvestment Act Regulations (RIN 3064-AF22)"

To Whom it May Concern:

On behalf of 17,000 real estate and mortgage professionals from across the country, the Asian Real Estate Association of America appreciates the opportunity to comment on the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporate (FDIC)'s proposed rule to reform the regulatory framework of the Community Reinvestment Act (CRA).

AREAA is the largest Asian American and Pacific Islander (AAPI) professional association in the United States and is comprised of professionals who work directly with AAPI families in the real estate and mortgage lending markets. One of AREAA's core functions is being a resource for information about the AAPI experience, beginning with home ownership, as well as serving as a voice for issues important to the AAPI community to legislators, policymakers and decisionmakers in Washington.

On a daily basis, AREAA's members work with clients who experience discrimination and barriers in their quest to achieve the American dream of homeownership. We support policy and legislation that will help achieve housing equity through expanding homeownership and building wealth for not just AAPIs, but all minorities who dream of creating a better life for themselves and their families.

Passed in 1977, the Community Reinvestment Act was one of several hallmark pieces of legislation that aimed to close the opportunity gap, reduce discrimination, and improve access to the mainstream financial products by poor and minority communities. Together, the laws worked not only to monitor and regulate issues of unfair lending practices, but address the discrimination that had kept these communities from sharing in the American dream that had been promised to all, but achieved only by some.

While the law was originally created to specifically address the practice of redlining—blocking out neighborhoods that were deemed too high risk to lend in, the majority of which were low- and moderate- income (LMI) minority neighborhoods later iterations of the act would expand to ensure that these communities had access to the same financial opportunities as everyone else.



The CRA is enforced through the examination of bank records to determine the level of banking (including mortgage) activity in underserved and/or minority neighborhoods. The 1995 changes to its enforcement, including an observable increase in bank lending and other activities in LMI communities created a foundation of support for minority associations that advocate on behalf of the many protected classes and subpopulations that continue to experience homeownership rates at levels significantly lower than non-Hispanic whites. Support of these associations such as National Association of Real Estate Brokers (NAREB), National Association of Hispanic Real Estate Professionals (NAHREP), The National Association of Gay & Lesbian Real Estate Professionals (NAGLREP), and AREAA are demonstration of efforts to serve these underserved and/or minority communities.

We acknowledge the efforts of lenders who recognize the efficiency of partnering with minority associations such as AREAA to demonstrate their commitment to truly reach underserved and minority communities. With 39 chapters and a membership of 17,000 individuals who touch the lives of tens of thousands more, AREAA is a vehicle of choice for banking institutions to reach and adequately serve the Asian community in the United States. Continued support of AREAA and other minority associations is a clear demonstration of efforts to reach and serve minority and underserved communities across the country.

The majority of lending institutions connect the investment of their marketing dollars in minority associations to their sections charged with CRA compliance. The relationship with minority organizations itself is of value to banks because it can be cited as efforts to serve underserved communities.

The proposed rule change to the CRA regulations could potentially remove this direct relationship, and cause significant and detrimental impact on these minority associations and the communities they serve. If the banks are not required to support these organizations, in the event of a downturn, diversity and minority investment efforts could potentially be the first expenses to eliminate.

The Asian Real Estate Association of America believes in a housing market that is accessible to all Americans. AREAA opposes policies and practices that are known to have disparate impact on any demographic group defined by race, color, religion, national origin, sex, handicap, familial status, sexual orientation and gender identity.

While AREAA understands the need for CRA reform to reduce the requirement and burden on lending institutions, we are unwavering in our support of policies that continue to create credit and investment opportunities and in minority, low-to-moderate income, and underserved communities. We urge the



OCC and FDIC to maintain the current CRA compliance requirements for lending institutions to demonstrate commitment to serve underserved communities and communities of color.

Thank you for your consideration of our comments.

Sincerely,



Hope Atuel
Executive Director
Asian Real Estate Association of America (AREAA)