



Current Communities

Elm Court
Griggs Farm
Harriet Bryan House
Princeton Community Village

Trustees

Toshi Abe
Elizabeth Bidwell Bates
Rev. Dr. Deborah Blanks
Daniela Bonafede-Chhabra
Tony Capozzoli
Sonia Chadha
Thomas W. Charles
Benjamin J. Colbert, Emeritus
C. VanLeer Davis
William Enslin, Emeritus
Robert Fernholz
Beth Ogilvie-Freda, Emerita
John W. Gilmore
Rich Gittleman
Margaret S. Griffin
Scott Harmon
Ruppert A. Hawes
Valerie W. Haynes
Sara Just
Chad Klaus
Jeannette Klink
Linda Meisel
Rev. Lukata Mjumbe
Freda Pearlmutter
Alice K. Small
Caroline Travers
KyuJung Whang
Thomas E. White
Elizabeth Wolfe

Community Organizations

All Saints' Church
Christ Congregation
First Baptist Church of Princeton
Institute for Advanced Study
Jewish Center of Princeton
League of Women Voters
Mount Pisgah AME Church
Nassau Presbyterian Church
Princeton Monthly Meeting
Princeton Regional Education
Association
Princeton Theological Seminary
Princeton United Methodist
Church
Princeton University
Saint Paul Parish of Princeton
Trinity Church
Unitarian Universalist
Congregation
of Princeton
Witherspoon Street Presbyterian
Church
YWCA of Princeton

To Whom it May Concern:

Princeton Community Housing strongly opposes the proposed changes to the Community Reinvestment Act (CRA). These changes would make redlining legal again by permitting banks to avoid investments in low-income and minority neighborhoods, resulting in significantly fewer loans, investments, and services to these communities. Banks would be far less accountable to the vulnerable populations that they are responsible to serve.

Our organization, Princeton Community Housing (PCH) was formed in 1967. A small group of Princeton's community leaders established PCH as a nonprofit organization to provide, manage, and advocate for affordable, safe and well-maintained homes. The founders helped to awaken Princeton's citizens to the town's troubling history of race-based housing discrimination and motivated them to provide equal opportunity housing. Their vision was to encourage socioeconomically diverse neighborhoods within the fabric of Princeton.

Today, we provide and manage 466 affordable and well-maintained rental homes for individuals, families, seniors, and people with disabilities with very low-, low-, and moderate- incomes. Over the next five years, PCH will build approximately 100 new affordable homes which will increase the number of people who have access to the multitude of social services that both PCH and other organizations in the community provide. CRA credit from local banks will be essential to the success of these proposed, much needed new homes.

This proposal dramatically and irresponsibly expands what activities would be eligible for CRA credit. CRA serves PCH by driving resources which we otherwise could not access and providing for the financial and development needs that our community identifies and prioritizes. Switching to a "non-exhaustive list" of eligible activities developed in Washington, DC, to include infrastructure, transportation, and even sports stadiums removes PCH's ability to determine and voice the needs of those we serve.

The proposed rule also institutes a single ratio to assess how banks serve communities. As it was made clear during the public comment period, this approach completely disregards whether the development and financial needs of very low-, low-, and moderate-income neighborhoods that are being served by the bank or its investments. As a result, PCH, whose 53 years of experience and expertise is presumed to be seriously considered as part of the current CRA examination process, will be rendered voiceless. We would no longer be able to identify and prioritize our needs, or would we



**PRINCETON
COMMUNITY
HOUSING**

Current Communities

Elm Court
Griggs Farm
Harriet Bryan House
Princeton Community Village

Trustees

Toshi Abe
Elizabeth Bidwell Bates
Rev. Dr. Deborah Blanks
Daniela Bonafede-Chhabra
Tony Capozzoli
Sonia Chadha
Thomas W. Charles
Benjamin J. Colbert, Emeritus
C. VanLeer Davis
William Enslin, Emeritus
Robert Fernholz
Beth Ogilvie-Freda, Emerita
John W. Gilmore
Rich Gittleman
Margaret S. Griffin
Scott Harmon
Ruppert A. Hawes
Valerie W. Haynes
Sara Just
Chad Klaus
Jeannette Klink
Linda Meisel
Rev. Lukata Mjumbe
Fred Pearlmutter
Alice K. Small
Caroline Travers
KyuJung Whang
Thomas E. White
Elizabeth Wolfe

Community Organizations

All Saints' Church
Christ Congregation
First Baptist Church of Princeton
Institute for Advanced Study
Jewish Center of Princeton
League of Women Voters
Mount Pisgah AME Church
Nassau Presbyterian Church
Princeton Monthly Meeting
Princeton Regional Education
Association
Princeton Theological Seminary
Princeton United Methodist
Church
Princeton University
Saint Paul Parish of Princeton
Trinity Church
Unitarian Universalist
Congregation
of Princeton
Witherspoon Street Presbyterian
Church
YWCA of Princeton

be taken as seriously by examiners when bank actors behave inappropriately in our community - the single ratio approach must be discarded.

Furthermore, the rule proposes that a bank must meet investment benchmarks in only a “significant portion” of its assessment areas in order to receive a satisfactory or outstanding rating. It suggests that a “significant portion” be defined as something more than 50 percent. This approach would ignore history by both legalizing and encouraging redlining and bring us back to an era where financial institutions could permit and deny financial services to both low- and moderate-income neighborhoods and all communities of color.

The OCC and FDIC, acting without the participation of the Federal Reserve, risks producing three separate sets of CRA regulations that PCH would have to learn in order to leverage resources to our community. This would make providing services to residents and applicants more complicated, less transparent, and results in confusion. Disadvantaged populations would yet again be oppressed by the systems and institutions whose responsibility it is to ensure their safety and wellbeing.

CRA was originally enacted to end redlining. The first goal of CRA modernization should be to prioritize the problem that this federal law was intended to fix. Instead, the OCC and FDIC’s narrow-minded search to ease compliance for financial institutions has resulted in legalizing this immoral, unethical practice.

The problems of the single ratio, the overly broad definitions of CRA-eligible investments, the gutting of communities’ voices, the speedy rule-making process, the credibility gap created by the Federal Reserve’s absence, and the lack of good faith and outreach from the OCC make this proposal beyond repair. On behalf of the low and moderate-income people, and the community that PCH serves, I ask that you please discard this proposal and start again.



Edward Truscelli
Princeton Community Housing
1 Monument Drive
Princeton, NJ 08550
Edward@pchhomes.org
609-924-3822

cc: National Alliance of Community Economic Development Associations (NACEDA)