



April 2, 2020

U.S. Office of the Comptroller
of the Currency and
Federal Deposit Insurance Corporation

Dear Gentlemen:

The San Antonio Community Development Council Inc., a 501 (c) 3 nonprofit opposes the proposed changes to the Community Reinvestment Act (CRA) because they would result in significantly fewer loans, investments and services to low- and moderate-communities. We believe this proposal would make redlining legal again, permitting banks to avoid investment in low-income and minority neighborhoods and, it would make banks far less accountable to the communities they are responsible to serve.

The San Antonio Community Development Council (SACDC), is a non-governmental, not for profit, community based organization established in 1988 for the purpose of addressing the lack of affordable housing for low income families. In addition, the SACDC is committed to rebuilding low-income neighborhoods by eliminating blighted conditions, and creating jobs and business opportunities for low-income individuals. The SACDC is governed by a board of directors comprised of civic minded individuals from the community with diverse backgrounds and includes representation of at least one-third of its membership by low income individuals or individuals who reside in low income neighborhoods.

The proposal dramatically and irresponsibly expands what activities would be eligible for CRA credit. CRA serves our community by driving resources we otherwise could not access, providing for the financial and community development needs 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 our community's voice to determine our own needs.

We are advised that the proposed rule institutes a single ratio to assess how banks serve communities. This single-ratio approach completely disregards whether the bank is serving the financial needs of the community or it's investments. The result of this process would render nonprofits such as ours, that has served my neighborhood for years and whose experience is seriously considered as part of the current CRA examination process, voiceless and powerless.

We would no longer be able to identify and prioritize our needs. The single ratio is a deeply flawed concept. As I understand, that was made clear during previous public comment periods. Yet it still remains part of this proposed rule. The single ratio should be discarded.

Further, the OCC and FDIC acting without the participation of the Federal Reserve risks producing three separate sets of CRA regulations our organization would have to learn in order to leverage resources to my community. That makes everyone's job more complicated, less transparent, and results in confusion. 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 that drove this reckless proposal make it beyond repair.

The CRA legislation was originally enacted to end redlining. The first goal of CRA modernization should be to prioritize the problems CRA was intended to correct. CRA modernization and amendments should ensure that we are preserving the original intent. Unfortunately this proposal prioritizes policy compliance over impact and outcomes for low-income families and communities this regulation was supposed to help. The result of this effort by the OCC and FDIC would be to relax compliance for financial institutions and revert to bringing redlining back to our communities.

On behalf of the low and moderate-income families and communities we serve, we respectfully ask that you discard this proposal and start again.

Sincerely,



Walter Martinez
Executive Director

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