

From: Glazer, John [REDACTED]
Sent: Friday, April 03, 2020 9:49 AM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN 3064-AF22

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations

I am writing to oppose proposed changes to the Community Reinvestment Act (CRA) regulations.

These changes will lessen the public accountability of banks to their communities because the proposed CRA exams would not accurately measure a bank's responsiveness to local needs. The result will be fewer loans, investments and services to communities and projects serving low- and moderate-income populations.

As a service provider to entrepreneurs and small businesses in Appalachian Ohio, CRA engagements with local banks have been a critical part of the region's ability to grow local economies and improve low-income communities. The proposed changes will deteriorate the incentive of local banks to participate in these projects' financing. It would also deprive local organizations of the talent and expertise among banks' staff as their engagements decrease.

Some of the proposed changes and their effects that are of great concern include changing the definition of affordable housing to include middle-income housing in high cost areas and the inclusion of rental housing as 'affordable' without verification of whether low-income people would be among tenants. Other changes that will lessen CRA's impact on low-income communities is the inclusion of large infrastructure such as bridges as a CRA eligible activity and the definition of small businesses and farms as having higher revenues, increasing the limit from \$1 million to \$2 million for small businesses and as high as \$10 million for family farms. The unknown impact of significant proposed changes undermines transparency and makes it hard for the public to offer helpful comments.

The agencies propose an evaluation system that would further inflate ratings while decreasing the responsiveness of banks to local needs. The agencies propose one ratio measure that would consist of the dollar amount of CRA activities divided by deposits. This ratio measure would likely encourage banks to find the largest and easiest deals anywhere in the country as opposed to focusing on local needs. Since banks could fail in one half of the areas on their exams and still pass under the proposal, the likelihood of banks seeking large and easy deals anywhere would increase. Also, the proposal would relax requirements that banks serve areas where they have branches first before they can seek deals elsewhere.

There are other losses for communities built into the proposed changes. The overall effect is a weakening of CRA. What's needed in my region are reforms that increase bank activity in underserved communities.

Please do not enact these changes. They are entirely in the wrong direction. Especially now, with a pandemic wreaking havoc on underserved communities reliant on small, local businesses, a stronger CRA is called for. These weakening regulations are tone deaf to current and future needs.

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