



Neighborhood Housing Services of Baltimore, Inc.

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April 1, 2020

The Honorable Joseph Otting, Comptroller
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

The Honorable Jelena McWilliams, Chair
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-0002

RE: Docket ID OCC-2018-0008; RIN 1557-AE-34, 3064-AF22; - Reform of the Community Reinvestment Act

Dear Comptroller Otting and Chair McWilliams:

Throughout NHS 40+ year history we have evolved from a small organization focused on serving southeast Baltimore into a much larger agency serving Baltimore City and Baltimore County. NHS is a NeighborWorks organization serving over 2,000 clients with loans totaling more than \$40,000,000. The types of loans have varied significantly including owner occupied rehab, emergency bridge loans, second mortgage down payment, closing cost, and credit building programs. Currently NHS is a certified Community Development Financial Institution (CDFI) providing multiple loan products to low- and moderate-income residents of Baltimore City and Baltimore County. NHS is also a HUD certified housing counseling agency. NHS has provided high quality housing counseling to clients interested in purchasing or preserving a home. Currently NHS serves over 1,000 clients annually through our counseling program.

I have been employed with NHS for over 7 years. I started with NHS during the first Lyft down payment incentive with Wells Fargo. I am currently the Manager of the Financial Coaching department. We have 2 couches with 50 clients in our pipeline. Through the Financial Coaching program, I have seen clients with scores as low as 580 and bring them up to 620/640. If the CRA was not in place our clients would not have the opportunity to dream of homeownership. I had a mother and daughter who came through the coaching program, not to mention before they came to NHS they were strung along for two years. I started working with them and within 6 months they were ready to purchase. They picked a lender and immediately was approved. The client saved \$3000 for out of pocket expenses and her yearly income was \$30,000. With the CRA in place this helps clients still able to purchase in low to moderate communities that are affordable to our clients. This also helps low to moderate clients with medium credit scores (620-640) to purchase. Our clients can purchase in neighborhoods that are trying to rebuild communities. The goal is to stimulate successful homeowner investment in Baltimore's low to moderate communities and through the CRA this will continue to build homeownership.

The CRA is supposed to ensure that banks lend to low- and moderate-income households wherever they operate. But there are reasons to doubt its effectiveness. Regardless of one's views on the desirability of rapid neighborhood change, there is wide agreement that government policy should not promote gentrification. High-income young professionals have the means to buy a home. Besides, the excitement of moving to an up-and-coming neighborhood and the lure of capital gains provide ample incentive for many of them to do so. Moreover, in specific instances, there may be displacement of poorer (often minority) original residents, throwing into question the desirability of the government helping to accelerate an inevitable development.

Truly,

Kareema Pinder

Kareema Pinder, Fast Track Manager

