

From: Juliana Gonzalez-Crussi <juliana@cclconnect.org>
Sent: Thursday, April 09, 2020 12:26 AM
To: Comments
Subject: [EXTERNAL MESSAGE] Community Reinvestment Act - RIN 3064-AF22

Hello,

We have serious concerns regarding the potential reforms to the Community Reinvestment Act. Although the comment period through The Office of Controller of the Currency at Regulations.gov has passed, we do want to share our opinions with your institution.

Center for Changing Lives (CCL) submits these comments in response to the OCC/FDIC's Notice of Proposed Rulemaking (the "Proposal") regarding the Community Reinvestment Act (CRA). Center for Changing Lives (CCL) opposes the Proposal's drastic shift from qualitative to quantitative evaluation measures. Dollar amounts matter, but not to the exclusion of a qualitative assessment of banks' activities in *meeting local community needs*. The net impact of the Proposal would be to reduce bank investments and services in low- and moderate-income (LMI) communities. This runs counter to the spirit of the law itself.

CCL is a HUD approved housing counseling agency and works with LMI households. A pass-fail test for evaluating banks' retail lending distribution would prompt many banks to do *just enough* to pass and may not accurately alleviate the structural and systemic practices, that for decades prior CRA, discriminated against African American and Latino communities. Converting the CRA activities test into a dollar-based metric would encourage banks to cut down on many small, impactful loans and projects – which together may have higher transaction costs – and instead focus on fewer, high-dollar-value projects.

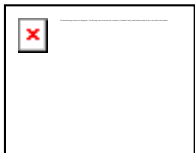
The CRA is the most significant tool we have to ensure that banks meet the needs of low- and moderate-income (LMI) clients and communities. Modernization must preserve what works under the CRA. As Federal Reserve Gov. Brainard recently observed, one of the "core strengths" of the CRA is creating an ecosystem that "encourages banks to engage on the priorities identified by local leaders." The Proposal would strip away this core strength in the name of supposed objectivity. To protect the CRA ecosystem, we urge you to suspend the rulemaking process, invite the Federal Reserve back to the table, and release a proposal only when all three regulators are on the same page. This approach is in the best interests of the LMI communities, non-profits, banks and the regulators.

Best,

Juliana

Juliana Gonzalez-Crussi
Executive Director

Pronouns: she/her/hers



1955 N St Louis Avenue, #101, Chicago, IL 60647
P: 773.342.1751 extension 232
F: 773.342.1789

www.cclconnect.org

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