



April 8, 2020

Office of the Comptroller of the Currency (OCC)

RE: Docket ID OCC-2018-0008 (Community Reinvestment Act Regulations)

To Whom It May Concern:

Thank you for the opportunity to share my perspective on the Community Reinvestment Act (CRA) and the proposed changes.

Founded in 1990, with a desire to eliminate substandard housing in Southern California's San Gabriel Valley, San Gabriel Valley Habitat for Humanity (SGV Habitat) has successfully served 215 families through our homeownership and home repair programs. We offer a "hand up, not a hand out" to families in need. Families accepted into our programs to purchase a home or receive critical home repairs invest volunteer hours and make affordable mortgage or repair payments.

CRA's Significant Positive Impact

Since our inception, SGV Habitat has had strong partnerships with many banks including, but not limited to Wells Fargo, Bank of America, Chase Bank, Union Bank, Pacific Premier Bank, Citizens Business Bank, East West Bank, Royal Business Bank, Cathay Bank and Banner Bank.

In 2019 alone, we accomplished the following thanks to our banking partnerships:

- Received \$3.5 million in revenue when two banks purchased part of our mortgage portfolio; we reinvested these dollars to build and preserve 39 homes for low-income families
- 20% of our fundraising came from bank's philanthropic grants
- All low-income families in our homeownership program received financial education courses from local bankers

Building

Strength, stability and self-reliance through shelter

San Gabriel Valley
 **Habitat for Humanity**[®]

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Concerns about Proposed Changes to CRA

Without the Community Reinvestment Act, *as it is now*, I believe that the aforementioned banks would have little incentive to lend, investment and conduct service activities for San Gabriel Valley Habitat for Humanity.

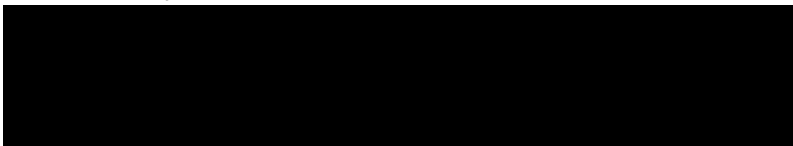
After reading the OCC and FDIC's recommendations, I fear that the proposals would significantly hinder our ability to create affordable housing and economic mobility for low-income earners as follows:

- The proposed single-ratio test would incentivize banks to favor larger and easier loans at the expense of smaller loans and investments that meet local needs, including those of lower-income homebuyers.
- Instead of banks making loans throughout the communities they serve, banks could ignore the credit needs of half of the communities they serve and still receive a passing CRA score.
- Banks could earn CRA credit for the activities that do not directly benefit low-income and moderate-income communities including, but not limited to
 - (1) the financing for stadiums and bridges,
 - (2) granting CRA credit to financial education services for middle- or high-income individuals,
 - (3) counting housing as affordable if lower-income people can afford to pay the rent, even if the housing is not available to or occupied by lower-income people.

On behalf of San Gabriel Valley Habitat for Humanity, I call on the OCC and FDIC to revise its Proposed Rulemaking—or to start over if necessary—to ensure that any modernization of the Community Reinvestment Act will increase rather than reduce the availability of lending, investments, and financial services for low- and moderate-income homebuyers and communities.

Thank you for your attention to these concerns.

Sincerely,



Frances M. Hardy | Director of Resource Development

San Gabriel Valley Habitat for Humanity