



April 8, 2020

To Whom It May Concern:

Rocky Mountain Communities, Inc. endeavors to build brighter futures by investing in resident focused affordable housing and services, empowering individuals and families to thrive.

Strong communities are composed of individuals and families that are supported and empowered to thrive. For over 26 years, Rocky Mountain Communities has leveraged resources and partnerships to invest in resident-focused affordable housing solutions across Colorado. We develop, own and manage housing communities, where we also offer services and programming that promote youth success, adult self-sufficiency and elderly independence. In doing so, we strengthen the fabric of our great state for everyone – now and for generations to come.

**As a NeighborWorks organization, Rocky Mountain Communities opposes the changes to the Community Reinvestment Act (CRA) regulations proposed by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), for the following reasons:**

- The proposal would make it so banks no longer have an obligation to make mortgage loans in neighborhoods with low and moderate incomes. The new scoring system would allow banks to completely ignore almost half of the markets where they have branches and still pass their exams. The proposed changes will encourage banks to seek out large dollar community development deals to quickly get to a single total dollar volume metric and discourage loans to people with low- and moderate-incomes (LMI) and small businesses because the loans are much smaller.
- The system that gives credit to banks for having branches in LMI communities is weakened and will likely lead to massive branch loss in communities that are already underserved.
- The proposal redefines community development to include large infrastructure projects like stadium improvements in LMI Opportunity Zones which further encourages banks to seek out larger deals over smaller loans to meet the ratio for the total dollar volume metric
- The definition of affordable housing would be relaxed to include middle-income housing in high-cost areas
- The proposal would redefine small businesses and family farms with higher revenues again encouraging banks to focus on larger loans to bigger businesses instead of smaller community-style loans.
- The proposal would lessen the public accountability of banks by not accurately measuring its responsiveness to local needs.

Many of the residents that we serve are employed in low-wage service industries, are deemed "unbankable" for several complicated reasons, and have the greatest needs within our communities. As an organization working and serving on behalf of our community, we value and appreciate the



relationships we have with our financial partners. However, most financial institutions are not located in the low and middle-income communities we serve.

We are concerned that the current proposal would serve as an additional deterrent for financial institutions to provide and deploy resources in the areas of greatest need. Both historically and at present, it is communities of color and other marginalized groups that are poorly resourced. While the proposal focuses on choice; given the history of unjust laws, policies, and practices that have harmed many members of the aforementioned marginalized groups, we believe that despite any good intentions, this proposal will lead to further harm and distrust from our residents and communities.

It is clear that the proposed rules would weaken CRA. The focus on LMI communities would be lost - the exact intent of CRA when it was signed in 1977. This backtracking would violate the agencies' obligation under the statute to ensure that banks are continually serving community needs.

The FDIC and OCC need to discard the proposal, and instead work with the Federal Reserve Board to create an interagency rule that will augment the progress achieved under CRA instead of reversing it.

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