

**From:** [Erin Macey](#)  
**To:** [Comments](#)  
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The Indiana Institute for Working Families, a program of the Indiana Community Action Association, strives to improve the financial stability of working Hoosiers so that families and communities can thrive. As we noted in a 2018 policy brief, *Access to Financial Services*, affordable financial services can improve financial well-being by facilitating investments like home purchases and education, making savings easier, and reducing the cost of everyday transactions. Addressing the barriers and improving consumer protections will allow more Hoosiers to achieve their financial goals.

The Community Reinvestment Act, a key achievement of the Civil Rights Era, helps to ensure fair and equal access to credit. Enacted in 1977 in response to redlining, the Community Reinvestment Act (CRA) creates an obligation for federally-insured depository institutions to maintain locations in low-to-moderate income neighborhoods and meet the credit needs of the communities in which they are located. Still, discrimination and divestment continue. Today, in spite of evidence that discrimination in lending continues to exist, 98 percent of banks pass their CRA exams.

As banking habits change and more consumers are taking their demands online or to non-bank entities, there has been a great deal of energy around modernizing the formula. Doing so with an eye toward maintaining a strong focus on low- to moderate-income households and communities, acknowledging the importance of physical branches, and increasing accountability for discrimination could bolster financial well-being. The Institute supports modernizing and strengthening the CRA to continue making progress toward the goal of equitable access to financial services, particularly in low-income communities and communities of color.

Specifically, we would like to see:

- A clear and rigorous grading system that emphasizes lending, branches, fair lending performance, and responsible loan products that serve the needs of working families, coupled with a willingness to assign grades that matter and hold banks accountable for poor grades. Allowing failing banks to merge with other institutions or acquire new ones is unacceptable.
- The retention of geography as a focus. While many borrowers are shifting to online lending, branches still matter to those without easy access to the internet, low computer literacy, or a need for in-person services.
- Clarification that the law requires banks to serve all races and ethnicities, and that failure to do so will result in failing grades.
- Broader application to all lenders, including mortgage companies, credit unions, fintechs and other “nonbank” lenders.

A strong Community Reinvestment Act is an important tool to promote investment in the working families of Indiana and broad-based prosperity. Thank you for considering our comments.