

April 8, 2020

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations

To whom It may Concern:

I am writing to OPPOSE the proposed rule changes to the Community Reinvestment Act (CRA) on the basis of both substance and timing. At the very least, we hope that the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) will suspend the consideration of these new rules until the full extent of the current economic crisis caused by the COVID-19 pandemic can be assessed. Now is not the time to institute such far-reaching (and in our view, potentially devastating) rule changes to an Act that has been such an important resource for the work that **The Neighbor Project** does, as a chartered member of **NeighborWorks America**, to promote community development & neighborhood revitalization through programs that are boosting first-time home-ownership; preventing scores of foreclosures; and helping hundreds of families to become more financially stable.

In terms of substance, The Neighbor Project and essentially all of the nearly 250 NeighborWorks organizations across the country, are deeply concerned that the propose rule changes could fundamentally weaken the CRA and undermine the incredible good that it has done in terms of proving over \$1 trillion in mortgages, small business loans, and economic development for under-served neighborhoods in the past three decades.

In the greater Aurora area (and our five-county region of nearly 2.5 million people in Kane, DuPage, Will, Kendall & DeKalb counties), grants and loans for which banks received CRA credit have been one of the most crucial sources of funding for our operations and success. For example, following the last housing-related economic crisis, we were faced with paying off a balloon loan on a property that was significantly underwater (despite a perfect track-record of on-time payments) and the capital made available through the CRA to a local CDFI allowed some unique loan terms (including a 110% LTV) to refinance a multi-family apartment unit that consists of 100% affordable housing additionally provides wrap-around programming that has led to dozens of low-moderate income families being able to purchase their own homes in Aurora. While the loan was small (\$250,000), the impact has been very large and the proposed changes allowing for CRA credit for enormous projects like stadiums or large-scale infrastructure projects will undoubtedly result in less capital available for our small-scale/high-impact projects in the LMI census tracts where 100% of our investments are currently located.

In addition to the now obvious poor timing of any new CRA rules, we oppose a long list of changes that would decrease public accountability of banks and lessen the number & dollar amount of banking activity in the very LMI communities that we serve and for which the Act was originally targeted.

Sincerely,



Rick Guzman, Executive Director