



April 8, 2020

To Whom It May Concern:

For more than 40 years, the Community Reinvestment Act (CRA) has focused on meeting the needs of low- and moderate-income (LMI) families and communities in an attempt to address our nation's shameful history of redlining and discrimination against people of color and those with limited means. While progress has been made, clearly there still exist vast disparities in wealth, access to capital, and opportunity for many people in our society. I find it especially ironic, that the Notice of Proposed Rulemaking (NPRM) would attempt to dilute benefits to the very people who are so instrumental in keeping our country operating during the COVID-19 crisis. The janitors, grocery store workers, hospital orderlies and maintenance staff have all become "essential" services. These are the people who benefit from community-based banking and lending programs. Rather than reducing investment in their communities, we should use the CRA to bolster these families and communities.

The Mutual Housing Association of Greater Hartford Inc (MHAGH) has been serving LMI communities and families for 32 years, by developing affordable rental housing and offering financial education and counseling programs. As a NeighborWorks® organization, we have helped thousands of families secure affordable apartments as well achieve their dream of home ownership. We operate in older communities and while developing affordable housing, we have also preserved the historic character of our neighborhoods and have worked to eliminate the risk of lead poisoning in the older housing stock. The CRA has been critical to MHAGH in securing the equity investments, loan capital and grant funding we need to create communities of opportunity.

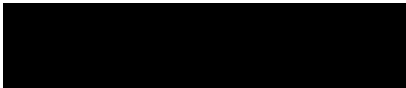
MHAGH opposes the proposed changes to the CRA as we believe they will result in significantly fewer loans, investments and services to the LMI communities most in need of more credit and capital. Specifically, we are concerned about the following proposed changes:

- Under the NPRM, the definition of affordable housing is relaxed to include middle-income housing high cost areas. We understand that housing costs have surged in many areas of the country, but the focus should remain on those most vulnerable. Additionally, there is no requirement to verify that housing created with lower rents is actually occupied by LMI households.
- Financial education will now benefit people of all incomes instead of just LMI households. As a provider of financial education, we believe in its benefits for all households. However, LMI households derive the most benefit as they have so little disposable income, and therefore have a much smaller margin for error in making financial decisions. CRA efforts should focus on these households.
- Funding for infrastructure projects such as bridges will be an eligible community development activity as will funding athletic stadiums in LMI tracts in Opportunity Zones. It is unclear how the benefit to LMI households and communities will be measured as a result of these investments.

- The NPRM allows CRA credit for activity outside of a bank's assessment area, regardless of the bank's performance in its assessment area. This will discourage banks from investing in small local deals and incentivize doing larger deals anywhere in the country.
- The One Ratio would also encourage banks to favor larger, easier transactions, rather than being responsive to local capital and credit needs. It would also lead to less transparency in assessing a bank's overall commitment to local needs.
- The NPRM diminishes the importance of bank branches as part of CRA compliance, which will in all probability lead to fewer bank branches in LMI communities.

MHAGH has witnessed first-hand the benefits of a local banking relationship and we are grateful to our lending partners. We believe the proposed changes under the NPRM will weaken relationships with local banks and reduce the available capital to organizations like MHAGH as well as the LMI households we serve. Laws and regulations should change in response to changes in markets and environment. However, the essential purpose of the CRA to create financial opportunities for people of color as well as LMI households and communities should be strengthened and not weakened at this time. I ask you to reject the proposed changes which would adversely impact the most vulnerable in our society.

Sincerely,

A black rectangular redaction box covering the signature of Catherine T. MacKinnon.

Catherine T. MacKinnon  
Executive Director