

---

**From:** Bob Palmer <bob@housingactionil.org>  
**Sent:** Thursday, May 16, 2013 8:42 PM  
**To:** regs.comments@occ.treas.gov; regs.comments@federalreserve.gov; Comments  
**Cc:** thollingsworth@ncrc.org; Katie Buitrago; Sham Manglik  
**Subject:** Re: Proposed Changes to Interagency Q&A OCC: Docket ID OCC02013-0003; Federal Reserve: Docket No. OP-1456; FDIC: Attention: Comments on CRA Interagency Q&A

May 17, 2013

Legislative and Regulatory Activities Division  
Office of the Comptroller of the Currency  
Mail Stop 9W-11  
400 7th Street SW  
Washington, DC 20219

Robert deV. Frierson  
Secretary, Board of Governors of the Federal Reserve System  
20th St. and Constitution Avenue NW  
Washington, DC 20551

Robert E. Feldman  
Executive Secretary  
Attention: Comments, Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

Re: Proposed Changes to Interagency Q&A OCC: Docket ID OCC02013-0003; Federal Reserve: Docket No. OP-1456; FDIC: Attention: Comments on CRA Interagency Q&A

To whom it may concern,

I am contacting you on behalf of Housing Action Illinois to provide comment on the proposed Interagency Questions and Answers (Q&A) Regarding Community Investment issued March 18, 2013.

We support the proposed language on additional ways to determine whether community development recipients are low- and moderate-income, the explicit consideration of nonprofit board service as a technical assistance activity that can be provided to community development organizations, the new proposed language that addresses the quantitative consideration given to certain types of community development investments, and the proposed new Q&A that clarifies that community development lending is always a factor that is considered in an institution's CRA rating.

We are concerned, however, that the proposals miss an opportunity to make necessary reforms to modernize CRA. Specifically:

- The proposed Q&As attempt to clarify the acceptability of community development activities outside of current assessment areas would more effectively promote community investment if assessment areas were redefined as where an institution has significant market share.

- While it is important to uphold the importance of community development lending, it should not be done at the expense of retail lending, the largest portion of the lending test. A more effective way of reaffirming community development lending is to create a community development test.
- The proposed Q&As should make the services test more rigorous and meaningful and improve methods of assessing community needs.

Housing Action Illinois is a statewide coalition formed to protect and expand the availability of quality, affordable housing throughout Illinois. Together we empower communities to thrive through three programs: Organizing, Policy Advocacy, and Training and Technical Assistance.

We believe that a stronger CRA would have a greater impact in getting the private sector to invest in the housing needed to end the long-standing affordable housing crisis and to end homelessness.

In February 2013, we co-released a report with the National Low Income Housing Coalition, *Housing Spotlight: America's Affordable Housing Shortage, and How to End It*, showing that there are only 28 rental homes affordable and available for every 100 extremely low-income renters in Illinois. Extremely low-income households have incomes at or below 30% of the area median income. The report is available at <http://nlihc.org/article/housing-spotlight-volume-3-issue-1>.

In the report, NLIHC analyzes data from the 2011 American Community Survey to compare the number of renters in a variety of income categories with the number of rental units priced at rents that are affordable to them. The report also explores the number of rental homes available to each category; that is, the number of units not occupied by renters with higher incomes. Nationally, there are only 30 rental units affordable and available for every 100 extremely low-income renters.

In Illinois, a family of four is considered by the federal government to be extremely low-income if their annual household income is at or below \$20,850. For a single person, the amount is \$14,600. These are among the households that need a strong CRA to meet their individual needs and the needs of the communities they live in.

We agree with the National Community Reinvestment Coalition, the Woodstock Institute and others that many of the reforms in the proposed Q&A would modestly improve the implementation of CRA, but more comprehensive changes are necessary to assessment areas, community development lending, the services test, and transparent ways of measuring community needs. We urge prompt and comprehensive reform to the CRA regulations.

Sincerely,

Bob Palmer  
Policy Director  
Housing Action Illinois  
11 E. Adams #1601  
Chicago, IL 60603  
312-939-6074 x. 206 (phone)  
312-939-6822 (fax)  
[bob@housingactionil.org](mailto:bob@housingactionil.org)  
[www.housingactionil.org](http://www.housingactionil.org)