

Public Comments on Interagency Questions and Answers Regarding Community Reinvestment

To Whom It May Concern:

The Delaware Community Reinvestment Action Council, Inc. (DCRAC) is a member of the National Community Reinvestment Coalition and is writing to respond to the request for comments on the proposed changes to the Interagency Questions and Answers Regarding Community Reinvestment. DCRAC has its founding in the Community Reinvestment Act. Delawareans have greatly benefitted from the CRA. Preserving and enhancing the reach of CRA remains the most important public policy goal for us.

We are pleased with the recommended updates to the question addressing innovative and flexible lending practices.

- 1) We are encouraged by the Agencies inclusion of using alternative credit histories as a practice that warrants CRA credit.
- 2) Small dollar loan programs should only be awarded credit if they are safe and sound alternatives to high-cost and predatory products.

We express concerns with the proposed changes that address advancements in financial service technology.

- 1) As a result of online and mobile technology, financial institutions can reach consumers in new ways, yet access to bank branches must continue to be given primary emphasis in determining a banks CRA service test rating.
- 2) The existence of online and mobile technologies and services alone is insufficient. To warrant CRA credit, it must be clear that:
 - a) those services are accessible to LMI individuals and geographies;
 - b) there is actual adoption of those technologies by LMI individuals and geographies; and
 - c) those services are not the sole method for LMI individuals and geographies to engage financial institutions.
- 3) It is more important to use CRA credit to encourage financial institutions to find more direct ways to meet the needs of LMI individuals and geographies.

We urge the banking regulatory agencies to consider this feedback and to strengthen the revisions to the Interagency Questions and Answers document to ensure that LMI communities continue to receive adequate and accessible banking services. Should you have any further questions about our comments, please contact Rashmi Rangan at 302-824-5219 or rrangan@dcrac.org.

Thank you for your consideration.

Sincerely,

Rashmi Rangan

Executive Director

Delaware Community Reinvestment Action Council, Inc.