



Rebuilding to Build!

What will you build?

February 8, 2020

Comments on Proposed Changes to the Community Reinvestment Act (CRA)

RE: FDIC RIN 3064-AF22

Habitat for Humanity of Camp County, TX, Inc opposes the proposed changes to the Community Reinvestment Act (CRA) because they would result in significantly fewer loans, investments and services to low- and moderate-communities. This proposal would make redlining legal again, permitting banks to avoid investment in low-income and minority neighborhoods. And, it would make banks far less accountable to the communities they are responsible to serve.

Our affiliate serves one of the smallest economically challenged counties in Texas. Our local lenders are active in our community and most of them have made CRA funds available to address some of the needs of our county that can only be met by nonprofit organizations like ours.

The proposal dramatically and irresponsibly expands what activities would be eligible for CRA credit. CRA serves my community by driving resources we otherwise could not access, providing for the financial and community development needs our community identifies and prioritizes. Switching to a "non-exhaustive list" of eligible activities developed in Washington, DC, to include infrastructure, transportation and even sports stadiums, removes my community's voice to determine our own needs.

Also, the proposed rule institutes a single ratio to assess how banks serve communities. This single-ratio approach completely disregards whether the community development and financial needs of the community are being served by the bank or its investments. And as a result, my organization, that has served my neighborhood for years, and whose experience and expertise is seriously considered as part of the current CRA examination process, will be rendered voiceless. That approach would legalize and encourage redlining, the practice that the CRA was enacted to overcome.

On behalf of the low and moderate-income people and places my organization serves, I ask that you please discard this proposal and start again.


LINDA E. BAXTER

Executive Director

Habitat for Humanity of Camp County

cc: National Alliance of Community Economic Development Associations (NACEDA)

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