

From: [Sarah Brinkmann](#)
To: [Comments](#)
Subject: [EXTERNAL MESSAGE] CRA Comment Letter
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To Whom It May Concern:

NW HomeStart, Inc. serves rural and urban audiences in the northwest corner of Illinois. We match low to moderate income households with resource for financial stability and sustainable homeownership, through counseling and education, coupled with strategic community partnerships.

We oppose the changes to the Community Reinvestment Act (CRA) regulations proposed by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC).

We do this for many reasons:

The proposed changes will encourage banks to seek out large dollar community development deals to quickly get to a single total dollar volume metric and discourage loans to people with low- and moderate-incomes LMI and small businesses because the loans are much smaller, The new scoring system would allow banks to completely ignore almost half of the markets where they have branches and still pass their exams, The proposal would redefine small businesses and family farms with higher revenues again encouraging banks to focus on larger loans to bigger businesses instead of smaller community-style loans., The proposal would lessen the public accountability of banks by not accurately measuring its responsiveness to local needs.

Our region continues to have median incomes levels that lag behind the state and national averages. When our local and regional banks are required to prove that they are working to meet the needs of the households and farmers who are LMI and struggling, we see innovation that is tailored to our audience. Our smaller cities and towns could fall into a CRA dessert should the one ratio system give our investors the option of putting us in the 50% of ignored territory.

It is clear that the proposed rules would weaken CRA. The focus on LMI communities would be lost - the exact intent of CRA when it was signed in 1977. This backtracking would violate the agencies' obligation under the statute to ensure that banks are continually serving community needs. The FDIC and OCC need to

discard the proposal, and instead work with the Federal Reserve Board to create an interagency rule that will augment the progress achieved under CRA instead of reversing it.

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