February 14th, 2020

Comptroller Joseph M. Otting
Comptroller of the Currency
Comp 400 7th Street, SW
Washington, D.C. 20219

Chair Jelena McWilliams
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

Docket No. OCC-2018-0008

Dear Comptroller Otting & Chair McWilliams,

My name is Levi Todd, and I submit these comments in response to the OCC/FDIC's Notice of Proposed Rulemaking (the "Proposal") regarding the Community Reinvestment Act. I am opposed to the Proposal's drastic shift from qualitative to quantitative evaluation measures. In the pursuit of equity, we know that different communities require varying levels of investment, and that broad-sweeping, high dollar investments in larger public goods like highways and sports arenas would neglect the needs of local communities. Dollar amounts certainly matter, but not to the exclusion of a qualitative assessment of banks' activities in *meeting local community needs.* The net impact of the Proposal would be to reduce bank investments and services and low- and moderate-income (LMI) communities. This is disgraceful. The Proposal goes against the very nature of the law itself.

I am a lifelong Chicagoan, and I am aware of the impact that redlining and unethical banking practices has had on our city. Chicago remains today deeply segregated because of racial and economic discrimination in community investments and banking access. We are at a critical moment where new wealthy investors are flooding our city with luxury apartments, condos, and other developments--and yet low- and moderate-income families can barely afford a down payment on their home or small business loan. The Proposal would minimize the efforts to make community investment actually serve communities, rather than the wealthy who already have access to large amounts of capital and credit.

A pass-fail test for evaluating banks' retail lending distribution would cause any number of banks to do just enough to pass. Any student who has ever taken a pass-fail class knows this to be true. Similarly, converting the CRA activities test into a dollar-based metric would encourage banks to cut down on engaging in smaller projects and investments and to conserve resources by focusing instead on fewer projects but with a higher dollar value. Banks will likely choose single multi-million dollar projects and ignore small, impactful loans that have higher transaction costs. Why, for example, would a bank expend resources on offering a loan to a low-income family to purchase their first home and have financial stability, when the bank could spend millions improving an athletic stadium in an LMI opportunity zone.

The CRA is one of the only tools we have to help ensure that banks meet the needs of LMI people in our community. Modernization or simplification must preserve what works under the CRA. I agree with Federal Reserve Gov. Brinard who recently observed that one of the "core strengths" of the CRA is creating an ecosystem that "encourages banks to engage on the priorities identified by local leaders." Under the Proposal, this core strength is stripped away in the name of supposed objectivity. To protect the

CRA ecosystem and the financial institutions, nonprofits, and LMI communities within it, I urge you to suspend the rulemaking process, invite the Federal Reserve bank to the table, and release a proposal only when all three regulators are on the same page. This approach is in the best interests of the banks, the community, and the regulators.

Sincerely,
Levi Todd