

February 17, 2020

I oppose the proposed changes to the Community Reinvestment Act (CRA). I have worked in low income communities for 30 years, and I have seen how necessary it is to apply regulations to the banking sector in order to obtain the loans, investments and services that these communities require. The proposed changes would make redlining legal again, permitting banks to avoid investment in low-income neighborhoods and areas that are predominantly populated by people of color. And, it would make banks far less accountable to the communities they are responsible to serve.

Due to the active encouragement of CRA regulations, I have seen banks invest positively in ways that they likely would not otherwise have done. For example, Wells Fargo has had a tremendous positive impact through its Neighborhood LIFT program, helping more than 20,000 people with downpayment assistance to purchase a home, including an investment of more than \$5 million in Atlanta. As we all know, Wells Fargo has also taken steps in the past that have negatively impacted the finances of many, many households in the U.S. Active regulation is critical to counter the damage that our financial institutions can do, and historically have done, to vulnerable families and communities.

The proposed changes dramatically and irresponsibly expand what activities would be eligible for CRA credit. 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. In Atlanta, infrastructure projects have historically created enormous damage to vulnerable families – thousands of families have been affected by the demolition of homes, stormwater runoff and the erection of barriers blocking pedestrian travel. Communities need to the opportunity to weigh in on what is of benefit to them.

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. Examiners need to be incentivized to consider community input when bank actors behave inappropriately in our community. The single ratio is a deeply flawed concept. As I understand, that was made clear during previous public comment periods. Yet it still remains part of this proposed rule. Please listen to us during this period. The single ratio must be discarded.

Further, the rule proposes that a bank must meet investment benchmarks in only a “significant portion” of its assessment areas in order to receive a satisfactory or outstanding rating. The rule suggests that a “significant portion” be defined as something more than 50 percent. That approach would legalize neglecting low income areas - allowing banks to focus on areas with perceived higher financial rewards. Permitting such behavior would bring us back to an era where financial institutions had the option to draw red lines around—and deny financial services to—poor neighborhoods and all neighborhoods of color. Except this time it’s worse because we understand, yet choose to ignore, history.

The OCC and FDIC acting without the participation of the Federal Reserve risks producing three separate sets of CRA regulations my organization would have to learn in order to leverage resources to my community. That makes everyone's job more complicated, less transparent, and results in confusion. The problems of the single ratio, the overly broad definitions of CRA-eligible investments, the gutting of communities' voices, the speedy rule-making process, the credibility gap created by the Federal Reserve's absence, and the lack of good faith and outreach from the OCC that drove this reckless proposal make it beyond repair.

CRA was originally enacted to end redlining. The first goal of CRA modernization should have been to prioritize the problem CRA was intended to fix. No matter what CRA modernization looks like, at least make sure we are preserving the original intent. Unfortunately, this proposal prioritizes easing compliance over impact and outcomes.

On behalf of the low and moderate-income people and places that I have served in Atlanta, I ask that you please discard this proposal and start again.

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