

**From:** Chris Kingsley <Chris.kingsley@lacasainc.net>  
**Sent:** Monday, April 06, 2020 4:18 PM  
**To:** Comments  
**Subject:** [EXTERNAL MESSAGE] CRA Comments Regarding: RIN 3064-AF22

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Lacasa, Inc. opposes the changes to the Community Reinvestment Act (CRA) proposed by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC). While the intent to bring greater clarity to CRA measures is important, the proposed changes weaken the CRA's potential to positively impact low-moderate (LMI) communities.

Lacasa, Inc. is a NeighborWorks America chartered member organization located in Elkhart County, Indiana. Elkhart County is the recreational vehicle manufacturing capital of the world. We are subject to a volatile local economy as a result of this dependency on the market's demand for a luxury item. Lacasa, with support from local banks, plays a stabilizing role for LMI families. Lacasa has developed, owns and operates a portfolio of 330 affordable housing units in the cities of Elkhart and Goshen. In addition, we run a financial empowerment center focused on asset-building, education, coaching, and counseling that empowers working adults with lower incomes to improve their self-sufficiency. We benefit from strong relationships with local banks that further our ability to impact our community in these ways.

While the local banks we work with are genuinely motivated to invest in our community in ways that improve LMI families and neighborhoods, having a CRA that reinforces this motivation and properly incentivizes the things that truly benefit these communities is important. Lacasa is concerned that the Notice for Proposed Rulemaking with regards to CRA fails to do this in the following ways:

- It incentivizes banks to seek out large dollar deals, whereas communities are often most benefitted by many smaller deals. While the multiplier introduced for community development attempts to reward these investments, it unintentionally reduces the amount that actually must be invested in this way (by doubling its impact on the metric).
- It allows for types of investments that are unlikely to create the most beneficial impact to LMI communities. Investments in stadiums is an example of this. While this is an unlikely investment type in our community, it is still a cause for concern.
- We are very concerned with the ability of a bank to pass its CRA exam while failing in a significant number of its assessment areas. This, when combined with the ingrained incentive to make larger investments that may not exist in our community, makes us concerned that investment in our community will not be prioritized.
- Bank branch locations in LMI communities is a smaller factor in the exam and this is likely to lead to closure of branches where they are desperately needed. While we accept that much banking activity is moving online, LMI communities tend to have the least comfort with this type of banking relationship.

Bank loans that support the development of affordable housing, mortgages that make home ownership accessible to LMI households, and grants that support the work of community development corporations like Lacasa are critical in ensuring stability and wealth-building opportunities for LMI households and neighborhoods. While the intent of the proposed changes is to

create greater clarity and transparency, there is an unintended damage created that is greater than the positive elements. As such, Lacasa requests these proposed changes be discarded and that work be done with the Federal Reserve Board to create an interagency rule that strengthens the positive impact on the LMI community in Elkhart County and beyond.

Sincerely,



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