

NeighborWorks Blackstone River Valley

*719 Front Street, Suite 103
Woonsocket, Rhode Island 02895*

April 7, 2020

To Whom It May Concern:

NeighborWorks Blackstone River Valley is a nonprofit community development corporation that has served Northern Rhode Island for over thirty years. During this time, the CRA has been the critical catalyst for over \$112 Million dollars that we have leveraged to develop almost 700 affordable homes and apartments and almost 60,000 SF of community facilities and neighborhood commercial space.

We strongly oppose the proposed changes to the Community Reinvestment Act (CRA) regulations by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), for the following reasons:

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 redefines community development to include large infrastructure projects like stadium improvements in LMI Opportunity Zones which further encourages banks to seek out larger deals over smaller loans to meet the ratio for the total dollar volume metric, 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.,The proposal would make it so banks no longer have an obligation to make mortgage loans in neighborhoods with low and moderate incomes.

We do our work in a small state with many low-income neighborhoods. We are very concerned that the proposed changes will diminish the relative importance of our service area and initiatives. We are also very concerned that the rules significantly diminish the community accountability of lenders. Our strong partnerships with area lenders, driven exclusively by CRA regulation, has been solely responsible for our many important outcomes and positive impacts over the past thirty years in Rhode Island.

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.

Joseph F. Garlick, Jr.,
Executive Director
(401) 762-0993 x 221