



LAREDO

HUD Certified HomeOwnership Center

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April 7, 2020

RE: Notice of Opposition to Proposed Rulemaking to Community Reinvestment Act Regulations

Greetings:

On behalf of NeighborWorks Laredo I am writing to you to take my comments into consideration for the proposed rulemaking pertaining to the Community Reinvestment Act Regulations.

My comments are simple. Let's go back to basics and pause for a moment and really think about why CRA regulations were first created and what it was intended to do. I don't have to preach to the choir but here it goes:

The Community Reinvestment Act (CRA) is a federal law enacted in 1977 to encourage depository institutions to meet the credit needs of low- and moderate-income neighborhoods. The CRA requires federal regulators to assess how well each bank fulfills its obligations to these communities.

Let me take a section from the previous paragraph: **"to meet the credit needs of low and moderate-income neighborhoods ----"LOW- AND MODERATE-INCOME NEIGHBORHOODS"**. The CRA was not created to meet the needs of the banks but to meet the needs of low-and-moderate income neighborhoods. To help low-and-moderate income people. To help avoid red-lining. It is so simple. Why should we be worrying about the banks? It is the low-and-moderate income people that we need to worry about and make sure they have every equitable opportunity especially in having a safe, decent, and affordable place to live in.

Banks should be doing more for low-and-moderate income neighborhoods if they want to get a good review. Banks should be investing more and partnering with nonprofit agencies such as all the 240 plus NeighborWorks America Organizations across the United States of America that focuses on helping low-and-moderate income families to succeed by educating, counseling, building affordable housing and in reaching the American dream of owning their own home.

Yes, big investments are great and we all benefit from them when we go and watch a professional baseball game or go shopping at a new mall or go to a college to get our degrees but affordable housing investments by our local banks is also very necessary.

Let's not complicate the way by changing the definitions of CRA activity. There are still many many persistent poverty counties in the United States and primarily in counties of people of color. Webb County, Texas is a persistent poverty county with 95% Hispanic population.

Let's not lose sight of why the CRA was established. It has been 43 years since its inception, many good investments have been made in low-and-moderate income neighborhoods; NeighborWorks Laredo was once the Number One producer in affordable housing in Laredo, Webb County, Texas. There was a time that bankers were the majority on our board of directors and all of the banks were looking for 501c3 agencies such as NeighborWorks Laredo to get CRA money out there to invest in the community, so that low-and-moderate income families could have an opportunity to have access to equitable and affordable housing.

Thank you.

Elizabeth Alonzo-Villarreal
Chief Executive Officer