



Creating Communities Where We Choose to Live, Work & Invest

April 7, 2020

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations

To Whom it May Concern:

NewVue Communities opposes the proposed changes to the Community Reinvestment Act (CRA) regulations as deeply misconceived. The OCC and FDIC would lessen the public accountability of banks to their communities by enacting unclear performance measures on CRA exams that would not accurately measure a bank's responsiveness to local needs. Contrary to the agencies assertions that their changes would increase clarity and CRA activity, the result will be significantly fewer loans, investments and services to low- and moderate-income communities (LMI).

NewVue Communities is a community development corporation and a member of the NeighborWorks network. We are based in Fitchburg, Massachusetts and serve North Central Massachusetts. While some of the areas that we serve are well off, others are poor. We have noticed that economics alone is forcing many lenders to decrease their investment in low income communities. The new rule would accelerate that trend and increase the wealth gap.

For example, Downtown Fitchburg, which is a low-moderate neighborhood, used to have six lenders. Today there is only one lender left, making it harder for low- and moderate-income families to access to the banking system. Under the proposed rule, this exodus would be accelerated. We believe that retail businesses would also be hurt, because under the proposed rule the retail test would only be pass or fail, as opposed to the current test.

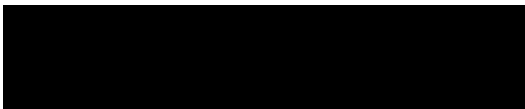
Furthermore, by adding the financing of large infrastructure projects such as bridges or athletic stadiums in Opportunity Zones to the list of eligible activities, it would make it harder for small businesses to receive investment. In the midst of this crisis caused by COVID-19 when so many of the small businesses that serve low income residents are shuttered, this type of rule change, would only

make it harder for those small businesses to access capital so that they could return after the crisis to help rebuild our downtowns.

The proposed rule would also dramatically lessen CRA's focus on LMI communities and make it harder to address redlining and finance housing for low- and moderate-income households. The proposal would count rental housing as affordable if lower income people could afford to pay the rent, without verifying that lower income people would be tenants.

This deeply flawed proposal would result in less lending, investing and services for communities that were the focus of Congressional passage of CRA in 1977. This backtracking will violate the agencies' obligation under the statute to ensure that banks are continually serving community needs. The FDIC and OCC need to discard the NPRM, and instead work with the Federal Reserve Board and propose an interagency rule that will augment the progress achieved under CRA instead of reversing it.

Sincerely

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Marc Dohan