From: Irvin Henderson [redacted]
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To Whom It May Concern:

Henderson and Company is a development and consulting company working in low to moderate income areas doing urban infill, economic development, multi-family development and mixed use development, often with historic preservation and community revitalization as the theme. We have projects in Birmingham, Pittsburgh, Edenton, Chicago, Atlanta, Houston, Port Arthur and Henderson, NC. I am a founding board member of NCRC, the National Main Street Center and the Bankers Community Collaborative Council. I am a Trustee of Community Capital Trust, the only daily NAV mutual fund dedicated to community reinvestment. I am an advisory board member of the CDE, Central States. I am a Board Member Emeritus of the National Trust for Historic Preservation and the former Chair of the tax credit syndicator, NTCIC. I am the former President and CEO of Gateway CDC and Henderson Financial Services. When the CRA Regulations were updated in 1993, President Clinton had me speak to the importance and impact of the CRA on the South Lawn of the White House where he introduced me as Chair of the National Community Reinvestment Coalition.

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

The proposal would make it so banks no longer have an obligation to make mortgage loans in neighborhoods with low and moderate incomes., 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 proposed changes will encourage banks to seek out large dollar community development deals to quickly get to a single total dollar volume metric and discourage loans to people with low- and moderate-incomes LMI and small businesses because the loans are much smaller, The system that gives credit to banks for having branches in LMI communities is weakened and will likely lead to massive branch loss in communities that are already underserved, 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 definition of affordable housing would be relaxed to include middle-income housing in high cost areas, 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 proposed scoring system will hurt the creativity that is a hallmark of CRA, representing the collaboration between community builders and banks that has been the bulwark that has kept underserved communities functioning, although not at the impact level needed. The fractional metric approach will allow institutions to concentrate their lending and investments in certain areas and ignore others because they will get the credit they need to expand, change branches and execute their business plan with less impact and less comprehensive delivery to all of the areas of the footprint of the bank, thereby flouting the very brilliant simple language of the CRA, requiring the delivery of financial services to all aspects of all communities. Small banks will no longer do the very good programs and investments that some have implemented and other small institutions will continue to ignore minorities and the underserved, including women entrepreneurs, as well as the working poor and the moderate income neighborhoods that are the salvation of those seeking economic improvement for their families. CRA needs improving, not to take several steps backward which this rule does. As a CRA advocate for 35 years, having worked in every section of this country from Hilo Hawaii to the Haliwa Saponi Tribe community in North Carolina, from Pittsburgh to Birmingham from New Orleans to Boise as a community developer, both nonprofit and for profit, I feel I am uniquely suited to evaluate the impact of this rule. Building these communities and the economic development tools that effectively leverage capital infusion in these underserved areas, we see what works and what does not. If institutions are allowed to pick and choose where they invest as opposed to having a compliance mandate that rewards trying to do difficult things in difficult communities, we will exacerbate the disparity of investment and doom the more difficult communities to permanent status as underserved. We won't have the opportunity to see these communities and their residents grow to become better consumers, taxpayers and growth engines for our economy. There are some systems that have grown to be extremely effective in getting more capital into these communities such as Community Capital Trust and other national funds that aggregate capital and find qualified investments throughout the country, helping small and medium sized institutions to meet the reinvestment responsibility but also to build capacity to address the needs of underserved communities from nursing homes to affordable housing to entrepreneurial development of small businesses. Limiting the credit that banks get by making these investments hurts these systems and will result in less investment everywhere. The liquidity provided and the diversity of investments made available to banks will be hurt by this rule and will result in many institutions not bringing fresh capital to needed projects and areas. This fund does not recycle its investments but continues to bring new products to its shareholders for every new exam cycle, thereby keeping institutions from utilizing the same investment over and over for compliance and also not allowing institutions to game the investment system by passing investments back and forth without new investment. This fund encourages impact and fills a very important role in liquidity, product development and diversity of impact where it is most needed. No change should be made to the credit that an institution receives for investing in these very important national funds that spur reinvestment and bring scarce capital to needy areas and important projects.

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.

Irvin Henderson

[redacted]

Henderson

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President and CEO

Henderson and Company

Irvin M. Henderson
Henderson and Company
1519 Lynne Avenue
Henderson, NC 27536
919-451-7650-direct-cell
252-438-3828-f
252-438-8513-p
Please join me April 27-29, 2020 for the 2020 National Community Reinvestment Coalition Annual Conference at the Washington Hilton Hotel in Washington, DC. Register today at: https://ncrc.org/ncrc2020