April 8, 2020

Via Electronic Mail

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Washington, DC 20219

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: *Community Reinvestment Act: Joint Notice of Proposed Rulemaking* (FDIC: RIN 3064-AF22; OCC: Docket ID OCC-2018-0008)

Ladies and Gentlemen:

The Mid-Size Bank Coalition of America ("MBCA")[1] appreciates the opportunity to comment on the Joint Notice of Proposed Rulemaking (the "NPR") of the Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance Corporation ("FDIC" and, together with the OCC, the "Agencies")[2] intended to transform and modernize the regulations implementing the Community Reinvestment Act of 1977 ("CRA"). We appreciate the care and attention the Agencies have devoted to developing the proposed regulations in this complex area. We commend the Agencies for the hard work and creative thinking that are

1 Founded in 2010, the MBCA is a distinct and singularly focused "self-help" organization for 102 mid-size banks that has the direct involvement of each of its member banks' CEOs and most of their management committee members. MBCA's member banks average approximately $20 billion in size and collectively serve customers and communities through more than 13,000 branches in all 50 states, Washington, DC, and three U.S. territories. The MBCA's member banks currently have combined assets exceeding $2 trillion, deposits of nearly $1.7 trillion, and total loans of more than $1.4 trillion. Thirty of MBCA's members are the largest independent institutions headquartered in their respective states. For example, MBCA member banks in Arkansas, Connecticut, Hawaii, Mississippi, Nebraska, Oklahoma, Oregon, Virginia and Wisconsin, among others, are both headquartered in and the largest independent institutions serving those states.

2 FDIC and OCC, *Joint Notice of Proposed Rulemaking: Community Reinvestment Act Regulations*, 85 Fed. Reg. 1204 (Jan. 9, 2020) ("NPR").

evident throughout the NPR and for their commitment to developing an innovative, 21st century CRA regulation – an objective we strongly endorse.

MBCA and its members wholeheartedly support the stated purpose of the CRA, which is to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income ("LMI") communities, consistent with safe and sound operations. We also support the Agencies' efforts to enhance transparency, objectivity, and consistency in the measurement of CRA performance and award ratings.

Still, our members have had significant difficulty in assessing the overall impact the proposed regulations would have on their commitments to meet community credit needs, particularly in LMI areas. They are also concerned about the proposed data collection and reporting obligations, as well as a potentially substantial increase in the resulting "overhead" costs of administering their CRA programs. Our recommendations discussed below are made in the spirit of ensuring that the final regulations prove workable and consistent with the CRA's purposes.

As a general matter, our members' ability to respond to and plan for implementation of these proposed regulatory changes would be greatly enhanced if the Agencies were to publically release additional, more granular information from the data analysis that led to the establishment of the various thresholds and formulas that are embodied in the proposed regulation, together with any additional analysis that the Agencies will perform as a result of information provided in response to the Request for Information issued in January 2020.[3] The NPR states that the Agencies calculated an estimated CRA Evaluation Measure for each bank over an extended period, and also analyzed data relating to the establishment of the various thresholds for the Retail Lending Distribution Tests. As discussed below, our members have had difficulty replicating the CRA Evaluation Measure and the various components of the Retail Lending Distribution Test. It is critical for our member banks to be able to review the Agencies' calculation of their estimated CRA Evaluation Measures, and to have a better understanding of how the Retail Distribution Tests would be calculated under their individual CRA programs. Accordingly, we strongly urge the Agencies to publicly release this information promptly in aggregated form (*e.g.*, showing the distribution of estimated CRA Evaluation Measures and Retail Distribution Test results across various sizes and types of banks and the correlations with the ratings that were awarded under the existing CRA regulation), as well as individually to each bank that requests the information in the form of a confidential supervisory communication.

The MBCA believes there are several innovative aspects of the proposed regulation that would promote the CRA's purposes and appropriately modernize the compliance regime. For example, an aggregate "score" to assess a bank's overall commitment to CRA has the potential to be a useful tool for assessing CRA performance. However, as suggested above and discussed more fully below, such a metric should be introduced cautiously and without an initial ratings impact, given the necessarily complex task of constructing a metric that accurately captures and properly weights the full range of CRA efforts by banks with different business

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[3] OCC, *Community Reinvestment Act Regulations; Request for Public Input*, 85 Fed. Reg. 1285, 1285 (Jan. 10, 2020).

models and approaches to CRA compliance. Given the complexity and data uncertainties, it is also likely that "mid-course" corrections will be necessary. Ideally, over time, regulators, banks, and the public should develop confidence that the metric produces results that accurately reflect a bank's CRA efforts.

We agree it is appropriate to provide CRA credit for qualifying activities conducted outside of a bank's branch-based assessment area, while at the same time continuing to require banks to focus on their assessment areas, as suggested in the NPR. Similarly, we strongly endorse the Agencies' proposed expansion of the types of activities that may receive CRA credit and the establishment of a regulatory process for incorporating new instruments and activities that would further the purposes of the CRA. We also agree that creating "deposit-based assessment areas" may be an appropriate response to the emergence and growth of online banking platforms, although we have several suggested modifications to this aspect of the NPR.

Finally, our coalition urges the OCC and the FDIC to continue discussions with the Federal Reserve so that a single, modernized CRA regulation applies to banks supervised by all three federal banking supervisors. Our member banks are concerned that a revised CRA framework that does not include state member banks will create an unlevel playing field with uncertain competitive effects.

Executive Summary of Recommendations

1. The Proposed Regulation's impact on CRA-related lending, investment and services is unpredictable. We propose the following to avoid potential adverse consequences to the goals of the CRA and to promote business planning:

    - All mortgage loans made in LMI neighborhoods, regardless of the income of the borrowers should be counted, possibly with a cap on the total amount of any single mortgage that could be included in the CRA Evaluation Measure.

    - The CRA Evaluation Measure should provide full credit for 12 months for qualifying originated retail loans that are sold to the Government Sponsored Enterprises ("GSEs") or to other secondary market participants.

    - The final regulation should include a multiplier for smaller community development loans and investments.

    - The final regulation should make "on-the-ground," such as branches in LMI neighborhoods, service hours and donations more meaningful in the evaluation of a bank's CRA performance.

    - The Retail Lending Distribution Test should be modified as follows:
        - the 20 loan per evaluation period threshold per assessment area be increased to an annual average of 100 loans;
        - what constitutes "major retail lending products" be determined at the beginning of each year based on the previous year's originations, with a

process to "de-designate" business lines that are being discontinued or de-emphasized;
  - banks be permitted to aggregate various forms of consumer loans (*e.g.*, auto loans, qualifying student loans, credit cards, small-dollar short-term loans) for purposes of the testing regime, regardless of whether the individual products meet the "major retail lending product lines" definition; and
  - the regulation provides for a streamlined exemption process for lending products that technically meet the "major retail lending product line" definition, but are not an indicator for whether the bank is meeting the credit needs of LMI individuals or neighborhoods.

2. The Agencies should narrow the future required recordkeeping and reporting obligations.

3. The deposit-based assessment area criteria should be modified to level the playing field between banks that have extensive branch networks and banks that are primarily online. We suggest that the final regulation delineate facility-based assessment areas subject to the metric-based presumptive ratings system only if the percentage of a bank's deposits in the facility-based area is the same as is required for deposit-based assessment areas.

4. The Agencies should not require more than half of a bank's assessment areas, representing half of the retail domestic deposits, to be awarded ratings of Satisfactory or Outstanding for the bank to be eligible for corresponding ratings at the bank level. If the final regulation introduces additional flexibility in the use of metrics at the assessment area level as we also recommend, it would be appropriate to require assessment areas representing two-thirds of retail domestic deposits to be evaluated as Satisfactory or Outstanding for the bank to be eligible to receive those ratings, respectively.

5. The Agencies should provide for a phase-in period for the regulation, and, importantly, delay implementation of the metric-based presumptive ratings system until data gaps have been filled and a sufficient period has elapsed for detailed analysis that will enable any further adjustments to be made in the presumptive rating framework consistent with the goals of the CRA.

DETAILED COMMENTS

I. The Proposed Regulation Could Have a Significant, Yet Unpredictable, Impact on CRA Activities

The proposed regulation represents such a major overhaul of the CRA examination and ratings environment that it could significantly alter the CRA "ecosystem" that has evolved since the CRA was enacted in 1977. MBCA member banks have made sincere efforts to analyze the potential impact the proposed regulation could have on their CRA activities, as well as those of other depository institutions subject to the CRA. That analysis undergirds the following recommendations.

A. The Regulation Should Provide More Encouragement for Mortgage and Consumer Loans in LMI Neighborhoods

Although we generally agree with the Agencies' proposed criteria for determining which activities would qualify for credit under the CRA, we believe that consumer and mortgage lending relevant to CRA performance within LMI census tracts should receive CRA credit, regardless of the LMI status of the borrower, and that these activities should be covered under both the CRA Evaluation Measure and the Retail Lending Distribution Tests. The NPR states that limiting CRA credit to loans made to LMI borrowers would "reduce displacement by refocusing on LMI individuals and activities."[4] However, we respectfully suggest that this approach is inconsistent with the CRA's statutory mandate that banks serve the credit needs of their *entire* communities, *with a particular emphasis on LMI neighborhoods*. Moreover, economists at the Federal Reserve Bank of Philadelphia and the University of Chicago recently published a study finding only limited displacement of pre-gentrification residents from gentrifying neighborhoods while noting that resident adults and children who remained benefited from gentrification.[5] The limitation of CRA credit to loans made to LMI individuals also overlooks loans made to non-LMI individuals to repair homes in LMI neighborhoods as a form of overall community improvement. Moreover, by encouraging lending in LMI areas, including to non-LMI individuals and families, banks would be incentivized to provide more banking services generally in those areas to the benefit of LMI individuals and families.

The Agencies' objective of encouraging lending to LMI individuals throughout assessment areas can be accomplished by retaining CRA Evaluation Measure credit for loans to these individuals, but applying a "multiplier" when such loans are made in an LMI area. This approach would encourage lending to LMI individuals, regardless of where they live in an assessment area, while providing an incentive to focus on LMI neighborhoods. Loans to non-LMI individuals and families who reside in LMI neighborhoods would still receive the basic, non-multiplied CRA credit for purposes of the CRA Evaluation Measure, and could also receive

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[4] NPR at 1207.

[5] Quentin Brumment & Davin Reed, *The Effects of Gentrification on the Well-Being and Opportunity of Original Resident Adults of Children*, Federal Reserve Bank of Philadelphia Community Development and Regional Outreach Discussion Paper (July 2019), *available at* https://www.philadelphiafed.org/-/media/community-development/publications/discussion-papers/discussion-paper_the-effects-of-gentrification-on-the-well-being-and-opportunity-of-original-resident-adults-and-children.pdf?la=en. The authors' abstract follows:

> Gentrification represents a striking reversal of decline in many U.S. cities, yet it is controversial because of its perceived negative consequences for original neighborhood residents. In this paper, we use new longitudinal census microdata to provide the first causal evidence of how gentrification affects a broad set of outcomes for incumbent adults and children. Gentrification modestly increases out-migration, though movers are not made observably worse off and aggregate neighborhood change is driven primarily by changes to in-migration. At the same time, many original resident adults stay and benefit from declining poverty exposure and rising house values. Children benefit from increased exposure to neighborhood characteristics known to be correlated with economic opportunity, and some are more likely to attend and complete college. Our results suggest that accommodative policies, such as increasing housing supply in high-demand urban areas, could increase the opportunity benefits we find, reduce out-migration pressure, and promote long-term affordability.

credit under the Retail Distribution Test. Alternatively, the Agencies could consider a "cap" on the amount of a loan to a non-LMI individual or family that would be included in the CRRA Evaluation Measure. A reasonable "cap" could be, for example, the GSEs' conforming loan maximum for mortgages and similar "caps" for other consumer loans representing "average-sized" loans for automobiles or other consumer loans that may be covered. This feature would avoid concerns that the CRA Evaluation Measure could be disproportionately affected by a relatively small number of much larger "Jumbo" mortgages or other loans that are made to wealthy residents of LMI census tracts.

B. The CRA Evaluation Measure Should Provide Full Credit for Retail Loans in the Year of Origination, Rather Than Credit for 25 Percent of the Loan Value for Loans Sold Within 90 days

The proposed regulation's CRA Evaluation Measure methodology provides full valuation for each month that loans and investments are carried "on-balance sheet." However, for retail loans that are sold within 90 days of origination, 25 percent of the value of the loan is included, equivalent to considering the loans as being "on-balance sheet" for a full 90 days or 25 percent of a year. This provision may have been intended to provide for equivalent CRA Evaluation Measure credit regardless of whether a loan is sold immediately after origination or held for as many as 90 days. In either case, however, the importance of a bank's efforts to originate otherwise qualifying retail loans would be significantly devalued, making it much more difficult for banks to meet the key CRA Evaluation Measure thresholds for both assessment areas and the bank as a whole. As an alternative, we recommend that the proposed regulation be revised to provide credit for 100 percent of the value of a qualifying loan in the year of origination. For subsequent years following origination, only on-balance sheet loans would be included in the CRA Evaluation Measure calculation.

Generally speaking, market imperatives and safety and soundness considerations require that most home mortgage loans be sold shortly after origination, primarily to the GSEs. The GSEs have a dominant role in the market, particularly for conforming loans that are generally most appropriate for LMI individuals and families, and most mortgage loans are sold to the GSEs under commitments that expire within the 90-day period. The GSEs also have important affordable housing products that encourage lending to first-time homebuyers and in underserved areas.[6] The CRA regulations should not discourage the lending that would most advance the CRA's goals and that has been at the forefront of CRA activities for decades. In addition, marketing and origination of other potentially qualifying retail lending products (such as auto loans, certain student loans, or credit card receivables) that may be included in the CRA Evaluation Measure would also be undervalued if they are sold, thereby discouraging pro-active marketing of these products to LMI individuals and in LMI neighborhoods.[7]

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[6] *See* FDIC, *Affordable Mortgage Lending Guide: Fannie Mae*, *available at* https://www.fdic.gov/consumers/community/mortgagelending/guide/part-1-docs/fannie-overview.pdf.

[7] Fair Lending requirements that preclude discrimination against certain protected groups in the marketing of lending products and other services would not necessarily substitute for the CRA's requirements of meeting the credit needs of the entire communities.

We understand that the Retail Distribution Test requirements could, to some extent, provide an incentive for banks to make at least some CRA qualifying retail loans (including mortgages) each year in order to meet those pass-fail tests, assuming that the bank is otherwise actively originating the particular type of retail lending product in particular assessment areas. However, the 25 percent limitation under the CRA Evaluation Measure could still dramatically affect the ability of banks that are active originators of mortgages to LMI families and in LMI census tracts to meet the key CRA Evaluation Measure thresholds both in individual assessment areas and for the bank as a whole.

Finally, providing 100 percent CRA Evaluation Measure credit in the year of origination to a bank that makes an otherwise qualifying retail loan and then sells it within 90 days should not lead to multiple counting. The proposed regulation already includes an exclusion from the calculation of the qualifying activities value if the loan is "included in the bank-level qualifying activities value of another bank" subject to the Agencies' CRA regulation.[8] Moreover, loans sold to GSEs or to securitization vehicles would not be included as qualifying activities of other banks unless the mortgage-backed securities were considered affordable housing-related, specifically those securities "primarily secured by loans to LMI borrowers."[9]

We also note that there would still be some incentive for banks to keep CRA qualifying loans "on-balance sheet," because the value of the loans will be included in the CRA Evaluation Measure in years subsequent to origination. This could become important during economic downturns when demand for retail loans drops generally and it is more difficult to originate safe and sound loans generally.

Regulatory burdens, expenses of originating and closing loans, and fierce competition from nonbank mortgage providers are already leading many banks to reduce their home mortgage originations.[10] Although consumers may benefit from obtaining 15- or 30-year fixed-rate mortgages, the longer term interest rate and credit risk generally makes it unfeasible to hold most mortgages "on balance sheet" without expensive and operationally complicated hedging activities. A CRA regulation that does not properly take into account a bank's efforts to originate home mortgage and other retail loans for meeting CRA thresholds could accelerate bank decisions to de-emphasize mortgage lending (and possibly other retail loan) product origination.

C. The CRA Evaluation Measure Undervalues Smaller Loans and Investments

To reach the minimum thresholds for a Satisfactory or Outstanding performance rating under the CRA Evaluation Measure for individual assessment areas and the bank as a whole, banks may necessarily need to seek out large-dollar loans and investments, while de-

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8 Proposed 12 C.F.R. § __.07(a).

9 NPR at 1231.

10 *See* Jon Prior, *Expect more banks to exit national mortgage lending*, National Mortgage News (May 29, 2019), *available at* https://www.nationalmortgagenews.com/news/expect-more-banks-to-exit-national-mortgage-lending.

emphasizing the smaller-scale loans and investments that may have disproportionately positive effects on their communities. Not only is it likely that banks would have some difficulty meeting the CRA Evaluation Measure thresholds in individual assessment areas (particularly "deposit-rich" areas where competition is keen for CRA qualifying activities), but banks would also have an incentive to shift their focus away from a large number of smaller loans and investments, which necessarily require more management attention, but less CRA credit. This could disrupt community development activities and the availability of CRA-encouraged, smaller-sized lending activity.

The lack of granular data sufficient for our banks to accurately determine whether their current or planned CRA activities would generate CRA Evaluation Measures that are at Satisfactory or Outstanding levels could lead to significant uncertainty in current CRA compliance strategies, further illustrating the importance of providing additional lead time to phase in the metric-based system as more detailed data becomes available.

In any event, the Agencies should consider including a multiplier for smaller loans and investments that are specifically targeted at community development or that involve both LMI individuals and neighborhoods as a way to mitigate the disincentive for banks to devote attention on smaller, CRA-friendly loans and investments.

D. The Proposed Regulation Should Provide a Greater Incentive for Activities that Are Currently Evaluated Under the Service Test

The Proposed Regulation does not include a separate "service test" rating for evaluating a bank's CRA performance. Instead, certain service-related activities are factored into the CRA Evaluation Measure at the assessment area and bank levels. However, the methodology for quantifying the value of these service-related activities would almost inevitably result in a minor, if not imperceptible, impact on the measure. This is particularly true for contributed service hours for community development activities, donations to community groups and other qualifying organizations, as well as for branches located in LMI neighborhoods. We believe that banks' efforts that focus on these activities should have more of a positive impact on their CRA performance evaluations and final ratings.

To illustrate the minimal impact of community development service hours on the CRA Evaluation Measure, one of our member banks has about 3,000 employees and about $13 billion in deposits. At an average compensation rate of $36 per hour,[11] in order to increase the CRA Evaluation Measure by 1.0 percent, bank employees would have to volunteer 3.5 million hours of service in a year, or an unrealistic average of 1,200 hours per employee per year—roughly half of their work year. At an average of 120 hours of donated service per employee per year (or roughly three workweeks)—a somewhat more realistic, but still very high rate—the CRA Evaluation Measure would increase by only 0.1 percent which is very unlikely to affect the ultimate rating. Under these circumstances, while some banks may continue to donate employee time to qualifying community activities, the impetus to do so will be significantly lessened. Yet

[11] $36 per hour is the Bureau of Labor Statistics banking industry average hourly salary.

banks that have a focus on community involvement would then be at a disadvantage to those that do not.[12]

In addition, assigning dollar values for community development services based on the compensation of the individual employee would also have a negative impact, by limiting the value of the services that lower-paid employees provide when they volunteer, compared to higher ranking officials. For instance, the service of a small number of executives on the boards of nonprofits would have a greater (though still minimal) impact on a bank's CRA Evaluation Measure than the service of a large number of lower-paid bank employees volunteering in a variety of "on-the-ground" community service activities that have a positive, direct impact on the community.[13]

Similar issues arise with respect to cash or in-kind donations, both of which may have a significantly greater beneficial impact on a dollar-for-dollar basis on community development activities than loans or even investments, particularly for smaller non-profit organizations. Again, the minimal CRA Evaluation Measure benefit for donations does not appropriately account for their impact. Because donations (like employee service hours) are a "cost" to an organization unlike making loans or investments, many banks may decide to eschew making donations altogether if they do not have a measureable CRA impact. For those banks that decide they should continue to do so, they will not receive CRA "credit" commensurate with the community benefits these activities generate. This is a particularly important issue because cash or in-kind donations earn no return for the bank, and negatively affect earnings, unlike loans and investments. Therefore, in order to provide the proper incentives for banks to continue (and enhance) their contributions of service hours and donations and to properly reflect their significance to the communities that the banks serve, we propose a multiplier to enhance the credit a bank would receive for these activities.

Of even greater concern to MBCA members is the minimal benefit banks would receive under the CRA Evaluation Measure for branches located in LMI census tracts. Although bank branches are becoming relatively less significant to banking overall, there is research demonstrating that bank branches remain particularly important in LMI neighborhoods and that CRA obligations have helped maintain bank branches in those areas.[14] Many of our members

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[12] Our member banks are in agreement that it is appropriate to count volunteer service hours, regardless of whether the service is financially related. *See* NPR at 1212–13 ("[T]he CRA regulations would no longer require that CD services be related to the provision of financial services."). Unfortunately, this modification will not make a noticeable difference in the CRA Evaluation Measure for the reasons stated above.

[13] The proposed regulation contemplates that the OCC will disclose annually for each bank the "quantified value of community development services" (*i.e.*, the value of volunteer service hours calculated under the proposed regulation). Proposed 12 C.F.R. § __.24(a)(4). The public disclosure of the value of service hours appears to be inconsistent with the *de minimis* significance of these service hours to a bank's overall presumptive rating under the proposed regulation.

[14] Lei Ding & Carolina K. Reid, *The Community Reinvestment Act (CRA) and Bank Branching Patterns*, Federal Reserve Bank of Philadelphia Working Paper WP-19-36 (Sept. 2019), *available at* https://philadelphiafed.org/-/media/research-and-data/publications/working-papers/2019/wp19-36.pdf.

have significant investments in branches in LMI neighborhoods, and believe that they should receive commensurate CRA "credit" for maintaining or expanding that branch presence. Branches in LMI neighborhoods often serve as commercial anchors in their communities. However, under the CRA Evaluation Measure methodology, increasing or decreasing branches in LMI neighborhoods is unlikely to have a perceptible impact on the CRA Evaluation Measure and the ultimate CRA ratings. Even if 100 percent of a bank's branches are located in LMI areas, this would only result in a 1 percent addition to the bank's CRA Evaluation Measure. Because most banks necessarily have more branches in non-LMI census tracts, the impact on the CRA Evaluation Measure is not likely to be meaningful, except in the limited number of cases where the bank's CRA Evaluation Measure value is right at a dividing line. We believe that a final rule should provide a more meaningful value for branching activity in LMI neighborhoods to recognize those banks that have chosen to focus on serving these geographies.

E. Impact of the Retail Distribution Test Criteria on Bank Strategies and Credit Availability

Our members have also had difficulty assessing the impact of the Retail Lending Distribution Tests. In particular, they are unable to evaluate whether they would be able to "pass" the tests in a sufficient proportion of individual assessment areas to avoid a negative ratings impact. This uncertainty stems from several sources, including the lack of data for various inputs into formulas used for conducting the tests, both for the individual banks and for the peer banks whose lending performance constitutes the denominator for several of the tests. In addition, the two-step process for determining whether a particular business line's lending activity must pass the retail distribution tests in a given assessment area creates significant business planning hurdles.

First, only "major retail lending product lines" are subject to the Retail Lending Distribution Tests. The proposed regulation defines "Major retail lending product line" to mean product lines that constitute "at least 15 percent of the bank-level dollar volume of total retail loan originations during the evaluation period," meaning 15 percent by dollar volume of consumer lending and small loans ($2 million, to be adjusted for inflation) to farms and businesses.[15] While "evaluation period" is not defined in the proposed regulation, it appears to

[15] The proposed regulation contains a drafting ambiguity as to whether, under the Retail Lending Distribution Test, a bank must use only the loans made for the particular consumer product line that meets the major retail lending product line 15 percent test with 20 loans in the assessment area for that product line in the assessment area, or whether it should test for "consumer loans" more generally. The definition of "Consumer loan" references loans that are reported on the Part 1, Item 6 of Schedule RC-C of the FFIEC Call Report form. Item 6 has several sub-categories (such as credit cards, automobile loans, etc.), which are referenced in the proposed regulation's definition. The major retail lending product line definition in turn references the "Retail lending product line" definition, which does appear to focus on individual consumer lending product lines, such as automobile loans, credit cards, other revolving credit plans, and "Another consumer loan product line." The Retail Distribution Lending Test criteria for "consumer lending product line," however, states that the numerator is "a bank's percentage of consumer loans to low- and moderate-income individuals and families . . ." without explicitly stating that it is the percentage of the loans made in the particular consumer lending product line that is taken into account. Similarly, the denominator in the borrower peer comparator threshold references the percentage of "consumer loans" by banks in the assessment area, without specifying whether that includes only loans made in the particular consumer lending product line that is taken into account. *See* Proposed 12 C.F.R. §§ __.03, __.11(c)(2).

mean the multi-year period that examiners would review in conducting CRA examinations. In other words, the 15 percent test to determine whether a product line is "major" and thus requiring the Retail Lending Distribution Tests in each assessment area would be finally determined *retrospectively*, rather than at the beginning of the evaluation period. This framework creates considerable uncertainty, given that economic conditions and competitive environments can change significantly over a multi-year period. For example, a spike in mortgage refinancing due to lower interest rates could result in mortgage originations rising substantially enough to have other consumer product lines or small business or farm loans drop below the 15 percent threshold, while a significant drop off in mortgage originations due to a high interest rate environment or housing recession could quickly elevate other, smaller retail lending product lines above the 15 percent threshold. Similarly, small lending to businesses and farms is also cyclical and could result in these or other retail lending product lines becoming (or dropping out of) the "major retail lending product line" category during an evaluation period. Finally, some product lines that may be of particular value to LMI individuals or in LMI neighborhoods are not likely to meet the 15 percent test, such as home improvement loans (whether secured or unsecured) or properly constructed or marketed small-dollar short-term loans.

The Agencies' approach to defining "major retail lending product lines" as a percentage of the value of product line loan originations may have been intended to account for varying bank business models. For example, banks that focus almost exclusively on business lending (including small loans to businesses), for example, would not necessarily be required to pass the assessment area-specific Retail Lending Distribution Tests for a minor credit card or home mortgage product line. However, the proposal currently creates unnecessary business uncertainty.[16] Worse still would be a situation in which a bank would have to upend its business activities as the close of an evaluation period neared in order to make sure that its assessment area retail distribution test results were not adversely affected by last-minute changes in which product lines were covered.[17]

Another ambiguity is that the definition "Consumer loan" references loans "reported" on the Call Report. Because originated loans (the criterion for the Retail Distribution Tests) may be sold prior to appearing on a Call Report and still be relevant for the Retail Distribution Lending Test and in the calculation of the CRA Evaluation Measure, the definitional language should instead say that "*Consumer loan* means a loan *reportable* on the Call Report, Schedule RC-C . . . ," not just "reported," to eliminate any ambiguity.

16 Question 16 in the NPR (at 1226) focuses on the definition of major retail lending product line, but does not address the retrospective problem.

17 Most of our members are "full service" commercial and community banks with significant traditional branch networks. However, several members have more specialized business lines that include a focus on a high-net worth clientele, but lack mass market consumer lending businesses. They have concerns that one of their "major retail lending product lines" (under the 15 percent test) would include loans to their high-net worth clienteles that would fall within the definition of "consumer loan." These banks would not have the customer base or the infrastructure to make unsecured or collateralized personal loans to LMI individuals, resulting in an inevitable failure to pass the Retail Lending Distribution tests for that business line, even if their other CRA qualifying activities in the relevant assessment areas were satisfactory or better. The final regulation should have a "safety valve" for such products, either through an exemption process or a regulatory exclusion for product lines which focus on high-net worth individuals.

Second, the 20 loan per assessment area threshold for conducting the retail distribution tests for major retail product lines creates similar uncertainty and potential unfairness, as well. As with the determination of whether a business line constitutes a "major retail lending product line," the 20 loan origination threshold is only determined at the end of the evaluation period for each assessment area. Particularly for relatively small size or density assessment areas, it will be difficult for banks to gauge whether an assessment will require the retail distribution test for a particular product line. Because assessment areas vary considerably in size from major metropolitan areas with millions of residents to much smaller geographies, banks may be unable to implement rational marketing strategies and develop expansionary plans to ensure that they do not unwittingly fail tests in areas where their market penetration for retail product lines is limited or changing, but still crosses the 20 loans threshold measured over a multi-year evaluation period.

In Section II, below, we discuss some of the data-related practical difficulties in conducting the Retail Lending Distribution Tests. These practical difficulties will provide further incentives for banks to narrow the number of assessment areas and product lines that will require the tests to be conducted, thereby potentially restricting competition in some areas, especially in smaller sized geographies and for retail lending product lines that exceed the 15 percent test, but do not present sufficient profit or growth opportunities commensurate with the credit and regulatory risks.

To mitigate these concerns, we propose that the Agencies modify the proposed regulation to:

(a) Increase the 20 loan per evaluation period threshold within an assessment area to an annual average of 100 loans per assessment area;

(b) Determine the bank's "major retail lending products" at the beginning of each year based on the prior year's originations, with a process to "de-designate" product lines that the bank is discontinuing or de-emphasizing;

(c) Permit a bank to aggregate various forms of "consumer loans" (auto loans qualifying student loans, unsecured personal loans, credit cards, small-dollar short-term loans, etc.) into one "bucket" for testing purposes, even if some of these product lines are themselves under 15 percent;

(d) Provide a streamlined exemption process for lending lines that technically meet the definition of "major retail lending product line" but are not otherwise an

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In addition, the definition of "Other consumer loan" excludes loans "for purchasing or carrying securities." The wording should be clarified to read "for loans [of 100,000 or more] that are collateralized by securities," because the term "purchasing and carrying securities" has a specialized meaning that would not include, for example, a revolving securities-collateralized loan of $100,000 or more originated after an original cash purchase of the stock. *See* 12 C.F.R. §§ 221.2, 221.3(c)(2). When such loans are made by banks, they are subject to the Federal Reserve's Regulation U, 12 C.F.R. Part 221. But the loan need not be for the purpose of "purchasing or carrying" the securities.

indicator for whether the bank is meeting the credit needs of LMI individuals or neighborhoods for the bank as a whole or in individual assessment areas; and

(e) Tailor the Retail Distribution Test formulas based on other markers of a bank's presence in a particular market, such as a factor based on the bank's overall market share in the assessment area.[18]

II. Data Limitations, and Future Data and Reporting Obligations, Make Informed Implementation of the Proposed Regulation Highly Problematic

As the NPR acknowledges,[19] data has not yet been developed for several of the inputs into the various calculations that would be required for the CRA Evaluation Measure, the Retail Lending Distribution Tests, and the assessment area deposit information. Systems to generate some of that information (particularly determining the amount of deposits by assessment area, rather than by branch) have not yet been developed at many banks and will take substantial time and resources to do so. Peer and industry-wide information for the denominators of several of the Retail Lending Distribution Tests is also currently unavailable. The NPR represents that the Agencies will publicly release peer data to apply the Retail Distribution tests, but acknowledges that not all of the necessary data may become publicly available and that banks may have to purchase private datasets.[20]

In addition, the Agencies have not yet released granular information that would enable our member banks to determine whether their existing CRA efforts would likely be adequate under the proposed regulation, or whether significant adjustments will have to be made in order to retain their current Satisfactory or Outstanding ratings. Nor have the Agencies released sufficient data to determine the statistical basis for the CRA Evaluation Measure thresholds, the data supporting the minimum percentages required to "pass" the Retail Lending Distribution Tests, or the distribution of banks in meeting the 2 percent of deposits test for

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[18] We do understand that the proposed regulation's ratings calculus would not preclude a presumptive Satisfactory or Outstanding rating, as long as the bank achieved such ratings in a "significant" portion of its assessment areas that constituted a "significant" amount of the bank's deposits. A bank that had "needs to improve" ratings in one or more assessment areas as a result of "failed" Retail Lending Distribution Tests would not necessarily be disqualified from an overall satisfactory or outstanding rating, potentially mitigating to a limited extent several of the issues discussed above. However, the Agencies have specifically sought comment on whether the term "significant" number of assessment areas and amount of deposits should be replaced with specific percentages. Below, we provide our views on that request, but regardless of the outcome of that issue, the public disclosure of "Needs to Improve" presumptive ratings for particular assessment areas may be problematic for banks, even if that rating is a product of limitations in the testing regime, rather than a failure by the Bank to meet community credit needs.

[19] NPR at 1222 ("The agencies are aware, however, that there are some limitations in the data currently available.").

[20] The proposed regulation and the NPR are also ambiguous about the time period to be used for the peer-based calculations. If that data is supposed to correspond in time with the evaluation period of a bank, it will only be available *after* the evaluation period has ended. While banks may be able to estimate the "denominator" of the Retail Lending Distribution Test calculations based on previous releases, those estimates may prove to be unreliable as business conditions change, particularly for individual assessment areas. This creates additional uncertainty as to whether a bank will satisfy the required tests.

community development loans and investments. The OCC has issued a Request for Information from banks that would enable it to have a more robust data set for informing the contours of the final regulation. However, those voluntary submissions are not due until the day after the comment period on the regulation closes and so cannot help inform this comment.

The lack of data and analysis is a matter of substantial concern. It may turn out that the impact of the proposed regulation on CRA activities is dramatic—or modest. For example, the NPR represents that the CRA Evaluation Measure thresholds of 11 percent for Outstanding and 6 percent for Satisfactory were selected within "ranges" of 10–15 percent for Outstanding and 6–10 percent for Satisfactory, based on the data analysis that the Agencies performed involving individual banks over a multi-year period. However, the Agencies have not released information on the distribution of those percentages across banks of different sizes and business models or the statistical correlations.[21] If the intention is for the proposed regulation to result in a level amount of productive CRA activities and the thresholds are based on a statistical conclusion that would predict that result, it will be very helpful for the Agencies to be fully transparent about the correlation between the CRA Evaluation Measure and prior CRA ratings. Similarly, it will be very helpful to understand how the Agencies arrived at the borrower demographic and peer comparator thresholds of 55 percent and 65 percent respectively, and the percentage of and size and business model distribution of banks that satisfy those tests, based on the Agencies' analysis.

Our members' initial assessment is that the proposed regulation would substantially increase the costs of administering their institution's CRA programs, potentially reducing the ability of the institution to make additional loans and investments, and provide other beneficial CRA-related services. It is difficult to quantify at this time either the short-term costs or business-as-usual costs. The classification of deposits by address of the depositor is likely to be a particularly substantial and time-consuming project for many banks. Because much of that information will reported to the Agencies and the remainder will be subject to examination, banks will also have to develop appropriate controls, validation and quality assurance routines, and internal audit work plans to provide accurate data and meet supervisory expectations. This project will necessarily divert management attention from other ongoing Information Technology issue and data quality projects, both of which have recently been the focus of considerably supervisory interest as a general matter.

The proposed regulation would also require that banks compile and report a myriad of data about consumer lending lines that currently are not covered by mandatory reporting, unless the bank elects to have the consumer loan products included in its CRA evaluations. The expansion of the mandatory compilation and reporting regime to all consumer loans (including those that are not within a "major retail lending line") will add to the cost and complexity of the data compilation, collection and reporting burden.

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[21] We note that a Federal Reserve Governor has stated that "[o]ur analysis did not find a consistent relationship between CRA ratings and a uniform comprehensive ratio that adds together all of a bank's CRA-eligible activities in an area." Lael Brainard, *Strengthening the Community Reinvestment Act by Staying True to its Core Purpose*, Speech delivered at the Urban Institute (Jan. 8, 2020), *available at* https://www.federalreserve.gov/newsevents/speech/brainard20200108a.htm.

Finally, the complexity of the presumptive ratings rubric, which "rolls up" from numerous individual tests in multiple assessment areas, creates a continuous monitoring obligation to ensure that the bank does not "fail" tests or not meet thresholds because of changes in business conditions throughout its footprint. That will require banks to dedicate more qualified staff to the continuous adjustment process that may be necessary to meet the fixed requirements of the set of requirements to generate the presumptive rating, thereby interfering with what might otherwise be good business practices for safe and sound operation of the bank, and adding to the "overhead" of the CRA program. This issue will also result in CRA resources being diverted from their most beneficial community use to simply meeting the testing requirements—at least in some instances.

Accordingly, we urge the Agencies to scale back the future required recordkeeping and reporting obligations in the final regulation. As for the lack of publically available historical data that supports the metrics-based presumptive ratings systems, as discussed below, we request that the Agencies defer implementation of the presumptive ratings system until the data gaps have been filled and a sufficient period for detailed analysis has elapsed to accurately gauge the impact of the proposed metric-based ratings framework.

III. Deposit-based Assessment Area Criteria May Not Alleviate the CRA "Hot Spot" Concern and Should Be Modified

We agree with the Agencies' intent to create assessment areas that are not tied to particular branch or deposit-taking ATM locations as a recognition of the evolution of banking over time to e-commerce platforms. While most of our members have extensive branch networks and expect to continue to maintain significant investments in brick-and-mortar locations for a substantial period, it is inevitable that more banking activities, including deposit gathering, will take place online or through other channels that are not based on the proximity of the branch's physical location to the customer. Requiring "single branch" online banks or other similar banking business models to have multiple assessment areas based on where their depositors are located will help level the CRA "playing field."

We believe, however, that the provisions in the proposed regulation on deposit-based assessment areas could be refined to better accomplish the goals of the CRA, especially to address the twin problems of "CRA hot spots" and "CRA deserts," while not discouraging banks from expanding their branch footprints. To properly level the playing field between branch-centric and online banks, the Agencies should also consider creating a comparable rubric for when "facility-based assessment areas" must be designated when the percentage of the bank's retail deposits represented by depositors in an area is low. In other words, if online banking organizations do not have to designate an assessment area because the percentage of deposits they gather from a particular geography is below a certain threshold (currently 5 percent), neither should branch-centric banks be required to designate such areas.

A. The proposed 5 percent threshold does not achieve the goal of reducing CRA deserts in rural areas

The Agencies' proposal for deposit-based assessment areas reflects the evolution of banking practices since the enactment of the CRA, specifically the relative decrease in

dependence on a bank's physical locations (*i.e.*, branches and deposit-taking ATMs). However, we believe that the proposed threshold for delineating deposit-based assessment areas (5 percent of total retail domestic deposits) and requiring that the assessment area be the "smallest geographic area where [the bank] receives 5 percent or more of the [bank's] retail domestic deposits"[22] would not achieve the goal of directing more CRA activities to rural areas that may not be receiving an appropriate share of CRA-related benefits under the current regulatory approach. Generally, even for online banks, deposits are likely to be concentrated in Metropolitan Statistical Areas ("MSAs"); we believe it would be relatively rare for non-MSAs to be included in deposit-based assessment areas, and the MSAs to be included would be large cities, rather than smaller cities. Therefore, it is likely that the proposal will result in more metropolitan assessment areas, but would not address the problem of CRA deserts in rural areas or small cities. While this change might result in a decrease in the "heat" of some "CRA hot spots" where online banks tend to have their home offices and only branch, it would not significantly affect the "CRA desert" problem.

B. The proposed threshold for deposit-based assessment areas puts brick-and-mortar banks and internet banks on uneven footing as facilities-based assessment areas are not subject to a similar threshold

The existing CRA regulatory system and the proposed approach encourages banks to avoid opening or retaining deposit-taking branches or ATMs. Traditional, branch-based banks often have assessment areas that account for less than 5 percent of their total retail deposits. For example, one MBCA member has approximately 30 assessment areas, of which half do not meet the proposed 5 percent threshold. Yet the facilities-based approach of triggering the creation of an assessment area subjected to the metrics-based presumptive ratings scheme when a bank places a single deposit-taking ATM or branch in a new market imposes a significant regulatory burden that includes not only the cost of maintaining the physical presence, but also the overhead cost represented by an additional assessment area compounded by the need to meet inflexible CRA performance standards to generate a Satisfactory or Outstanding presumptive rating for that assessment area. Moreover, technological innovations (*e.g.*, mobile telephone check deposits, remote deposit capture of checks for business, replacement of paper checks with card payments) make it increasingly unnecessary for a bank to have a physical presence to accept deposits, further discouraging banks from maintaining physical presences in CRA deserts, rural areas and LMI areas.

Brick-and-mortar banks should be put on the same footing as internet banks. That is, if 5 percent of retail domestic deposits is the threshold established for the creation of deposit-based assessment areas, that same percentage threshold should also be applied to facilities-based assessment areas. To the extent that the CRA statute requires an evaluation of a bank's CRA performance in geographies wherever there are branches, a more streamlined evaluation, similar to limited scope reviews under the existing CRA examination procedures, should suffice for areas that represent a lower share of a bank's deposits. For such limited evaluation facility-based areas, the regulation should not require that the bank exceed the thresholds for the Retail Lending

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[22] Proposed 12 C.F.R. § __.08(c).

Distribution Tests, community development activities, or the minimums for CRA Evaluation Measure that together would otherwise generate presumptive assessment area ratings.[23]

IV. The Ratings Process Should Be Modified for Assessment Area Satisfactory/Outstanding Ratings

The NPR requests comment on whether it should include specific percentages of assessment areas and the deposits that they represent (50 percent and 80 percent were referenced as possibilities[24]) that must receive satisfactory or outstanding ratings for the bank's overall CRA rating to qualify for a Satisfactory or Outstanding rating, respectively. The proposed regulation only requires a "significant portion" of assessment areas representing a "significant amount of deposits" as the criterion.

The flexibility not to require that each assessment area receive a Satisfactory or Outstanding rating to receive that rating at the bank level is important for several reasons. First, in some areas, it may be difficult to satisfy the CRA Evaluation Measure thresholds because of a lack of demand for CRA qualifying activities or because the area is a CRA "hot spot" and there are few additional opportunities to make safe and sound community development loans and investments. Second, the Retail Lending Distribution tests could generate a "Needs to Improve" presumptive rating in an assessment area based on shortfalls of a handful of loans in a single consumer lending product, regardless of the other CRA efforts that the bank was making in that assessment area. Third, if a relatively small assessment area is the "home" to a disproportionately large amount of the bank's deposits as a result, for example, of it being the location of the headquarters of a large corporate customer that has substantial deposits with the bank, meeting the CRA Evaluation Measure thresholds may be impractical.

Our proposed solution is designed to ensure that a bank's CRA efforts are well distributed throughout its footprint, while recognizing that individual assessment areas might necessarily generate lower ratings under the metrics-oriented regulation. First, the minimum number of assessment areas with a Satisfactory/Outstanding rating should be no higher than 50 percent to be eligible for achieving those ratings bank wide. This is particularly important, given that many banks will have numerous facility-base assessment areas with relatively small market shares in the particular geography, making it more difficult to meet the required thresholds. Second, the percentage of the bank's retail deposits that are represented by assessment areas rated Satisfactory or Outstanding, respectively, should represent no more than half to two-thirds of retail domestic deposits.

In our view, the higher percentage (assessment areas accounting for two-thirds of domestic deposits) would be justified only if the assessment area CRA Evaluation Measure, CD

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[23] *See Community Reinvestment Act: Supervisory Policy and Processes for Community Reinvestment Act Performance Evaluations*. OCC Bulletin 2018-17 (June 15, 2018) (full-scope or limited-scope review based on variety of factors including "whether an AA represents a significant portion of the bank's activity or whether the bank's activity represents a significant portion of total industry activity in an AA relative to deposit or loan market shares").

[24] NPR at 1226.

threshold, and Retail Lending Distribution tests did not automatically generate "presumptive ratings" at the assessment area level. Instead, the results of these tests would be one factor, which, when coupled with the bank's performance context[25] in the assessment area, would then inform the assessment area rating. In this scenario, examiners could still consider how the bank performed against the benchmarks under the tests, but only as reference points—not as rigid boundaries. Examiners would assess whether shortfalls in one or more of the applicable metrics was indicative of insufficient effort by the bank in that assessment area or a product of the bank's mix of products and services, as well as the demand for CRA qualifying activities in the area. The Agencies may have intended for such a process to occur in any event, but the use of the term "presumptive rating" implies that it would be rare for examiners to adjust that rating. By describing the results of the tests as reference points, rather than as producing a presumptive rating, the likelihood of distorted ratings being awarded due to the rigidity of the testing schemes is significantly reduced.

V. The Final Regulation Should Have a Longer Phase-in Period, and the Agencies Should Not Rely On or Require Publication of the Performance Standards Results Until They Complete an Objective Assessment that the Performance Standards Are Appropriate

As the issues raised in this submission illustrate, there is considerable uncertainty as to the impact of the proposed regulation on the CRA-related activities of banks and how banks' current CRA activities would fare under the proposed regulation. The proposed regulation has a phase-in period, but it is too short and does not account for the possibility that the general performance standards will not be workable or that they may not generate sufficiently reliable results to affect ratings decisions.

The proposed regulation provides that, one year after the effective date of the final regulation, banks (other than small banks) must comply with the assessment area, data collection and recordkeeping requirements. Two years after the effective date, such banks must comply with the reporting requirements, including calculating the results of performance tests that generate the presumptive ratings, and make that information public.[26] The balance of the regulation (including the Agencies' use of the Presumptive Ratings) becomes applicable to a bank "after completing the evaluation period that *concludes* immediately after the reporting requirements compliance date [two years after the effective date], including any extensions approved by the [Agencies]."[27]

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25 Proposed 12 C.F.R. ___.14.

26 Proposed 12 C.F.R. §§ __.01(c)(4)(i)(A), __.23.

27 Proposed 12 C.F.R. § __.01(c)(4)(i)(B) (emphasis added).

As noted above, the term "evaluation period" is not defined in the regulation. As a practical matter, if presumptive ratings are to be used, they could not be generated before the second year after the regulation goes into effect when that information is to be reported. At a minimum, the use of presumptive ratings should be clarified so that presumptive ratings may be generated only for evaluation periods that *begin* after the reporting period compliance date.

The Agencies should not require publication of or use presumptive ratings in examinations until at least a year after they have completed a detailed assessment of how those measures are working. That exercise cannot be undertaken until the first waves of reports are received two years (or more with extensions) after the effective date of the final regulation, and the Agencies then come to a supported conclusion that the structure of ratings works better than the current performance context-oriented, and less metric-orient, system.

In this sequence, the Agencies will be able to conduct a natural experiment as banks develop the infrastructure to meet their CRA obligations under the new regulation. The Agencies will be able to test how the existing performance context-oriented evaluations of CRA performance compare with the metric-oriented system of the new regulation. Importantly, the Agencies will then be better able to determine where the various thresholds should be set to ensure that CRA activities are not adversely affected, while permitting banks and the public to have more confidence that the thresholds bear a true relationship to a bank's CRA efforts. Finally, with a "trial run" such as what is suggested here the Agencies will also be able to provide more detail on when a presumptive rating at the bank level should be adjusted based on the bank's performance context, and whether the assessment area ratings system leads to anomalous results. The proposed regulation includes general criteria for determining whether an adjustment should be made based on the performance context, but it is uncertain whether examiners will be able to appropriately rely on the more general performance context criteria to adjust the presumptive ratings.

In submitting a comment to the OCC in response to the Advanced Notice of Proposed Rulemaking, the MBCA suggested that the OCC explore an *optional* metrics-based approach that banks could choose to follow—or not. Our proposal then was to set the bar high on a metric-based approach to avoid any question that the tests were "too easy" to pass, while permitting banks to continue the existing performance context-oriented approach if their CRA activities were not near the top of the Satisfactory or Outstanding ranges. We suggest that the Agencies renew consideration of our previous suggestion as one alternative. A second alternative would permit any bank, regardless of size, to opt out of the general performance criteria, much as small banks may opt into the general performance regime. Even if the Agencies believe that an optional system is not appropriate for the long run, such an option should be available at least during the first CRA examination cycle that a bank must undergo following full implementation of the final regulation.

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The MBCA appreciates the opportunity to comment on the NPR and looks forward to working with the Agencies and the Federal Reserve to improve the effectiveness of the CRA. If you have any questions, please do not hesitate to contact me by phone at 213-335-4344 or by e-mail brent.tjarks@midsizebanks.com

Sincerely,

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17. Busey Bank (Champaign, Il)
18. Cadence Bank (Houston, TX)
19. Cathay Bank (Los Angeles, CA)
20. Cenlar FSB (Ewing, NJ)
21. Centennial Bank (*Conway, AR)*
22. CenterState Bank (Winter Haven, FL)
23. Central Bancompany (Jefferson City, MO)
24. CIT Bank (Pasadena, CA)
25. Citizens Business Bank (Ontario, CA)
26. City National Bank (Los Angeles, CA)
27. City National Bank of Florida (Miami, FL)
28. Columbia Bank (Tacoma, WA)
29. Commerce Bank (Kansas City, MO)
30. Community Bank (De Witt, NY)
31. Cullen/Frost Bankers (San Antonio, TX)
32. Customers Bank (Phoenixville, PA)
33. Dollar Bank (Pittsburgh, PA)
34. EagleBank (Bethesda, MD)
35. Eastern Bank (Boston, MA)
36. East West Bank (Pasadena, CA)
37. F.N.B. Corporation (Pittsburgh, PA)
38. FirstBank Holding Company (Lakewood, CO)
39. First Citizens Bank (Raleigh, NC)
40. First Financial Bank (Cincinnati, OH)
41. First Financial Bankshares (Abilene, TX)
42. First Hawaiian Bank (Honolulu, HI)
43. First Horizon Bank (Memphis, TN)
44. First Interstate Bank (Billings, MT)
45. First Merchants Bank (Muncie, IN)
46. First Midwest Bank (Itasca, IL)
47. First National Bank of Omaha (Omaha, NE)
48. Flagstar Bank (Troy, MI)
49. Fulton Financial (Lancaster, PA)
50. Glacier Bank (Kalispell, MT)
51. Great Western Bank (Sioux Falls, SD)
52. Hancock Whitney Bank (Gulfport, MS)
53. Heartland Financial (Dubuque, IA)
54. Hilltop Holdings (Dallas, TX)
55. Independent Bank (McKinney, TX)
56. International Bancshares (Laredo, TX)
57. Investors Bank (Short Hills, NJ)
58. IBERIABANK (Lafayette, LA)
59. Mechanics Bank (Richmond, CA)
60. MidFirst Bank (Oklahoma City, OK)
61. NBT Bank (Norwich, NY)
62. New York Communty Bank (NewYork, NY)
63. Northwest Bank (Warren, PA)
64. Old National Bank (Evansville, IN)

65. Opus Bank (Irvine, CA)
66. Pacific Premier Bank (Irvine, CA)
67. PacWest Bank (Beverly Hills, CA)
68. People's United Bank (Bridgeport, CT)
69. Pinnacle Bank (Lincoln, NE)
70. Pinnacle Financial Partners (Nashville, TN)
71. Popular Community Bank (New York, NY)
72. Provident Bank (Iselin, NJ)
73. Raymond James Bank (Saint Petersburg, FL)
74. Renasant Bank (Tupelo, MS)
75. Rockland Trust (Rockland, MA)
76. Sandy Spring Bank (Olney, MD)
77. SeaCoast Bank (Palm Beach, FL)
78. ServisFirst Bank (Birmingham, AL)
79. Signature Bank (New York, NY)
80. Silicon Valley Bank (Santa Clara, CA)
81. Simmons Bank (Pine Bluff, AR)
82. South State Bank (Columbia, SC)
83. Sterling National Bank (Montebello, NY)
84. Stifel Bank & Trust (Saint Louis, MO)
85. Synovus Bank (Columbus, GA)
86. TCF Bank (Sioux Falls, SD)
87. Texas Capital Bank (Dallas, TX)
88. Third Federal Savings (Cleveland, OH)
89. TIAA Bank (Jacksonville, FL)
90. TowneBank (Portsmouth, VA)
91. Trustmark (Jackson, MS)
92. UMB Financial (Kansas City, MO)
93. Umpqua Bank (Roseburg, OR)
94. United Community Bank (Blairsville, GA)
95. United Bankshares (Charleston, WV)
96. Valley (Wayne, NJ)
97. Veritex Community Bank (Dallas, TX)
98. WaFd Bank (Seattle, WA)
99. Webster Bank (Waterbury, CT)
100. WesBanco Bank (Wheeling, WV)
101. Western Alliance Bank (Phoenix, AZ)
102. Wintrust Financial (Rosemont, IL)