



April 8, 2020

Comptroller Joseph M. Otting
Comptroller of the Currency
Comp 400 7th Street, SW
Washington, D.C. 20219

Chair Jelena McWilliams
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Docket No. OCC-2018-0008

Dear Comptroller Otting & Chair McWilliams:

LUCHA (Latin United Community Housing Association) submits these comments in response to the OCC/FDIC's Notice of Proposed Rulemaking (the "Proposal") regarding the Community Reinvestment Act (CRA). LUCHA opposes the Proposal's drastic shift from qualitative to quantitative evaluation measures. Dollar amounts matter, but not to the exclusion of a qualitative assessment of banks' activities in *meeting local community needs*. The net impact of the Proposal would be to reduce bank investments and services in low- and moderate-income (LMI) communities. This runs counter to the spirit of the law itself.

LUCHA (the Spanish word for "struggle") advances housing as a human right by empowering communities- particularly the Latinx and Spanish-speaking populations- through advocacy, affordable housing development and community building.

Founded in 1982, LUCHA (Latin United Community Housing Association) is both a U.S. Department of Housing and Urban Development (HUD)-approved housing counseling agency as well as a Community Housing Development Organization (CHDO). The LUCHA acronym is the Spanish word for "struggle," which reflects the organization's history of leading the struggle against discrimination, housing displacement, systemic inequity, and patterns of injustice which impact members of Chicago's low- to moderate-income Latinx and African-American communities.

Anchored in Humboldt Park, LUCHA was founded as an organizing body to address the displacement of the Chicago Puerto Rican community rampant during the 1970s and 1980s. While LUCHA was one of many community-based organizations founded during this era, it is only one of the few which remain active today – albeit with a much broader low- to moderate-

income client base. LUCHA's perseverance is due to community-driven design and delivery of its programs and services.

As part of its central commitment to racial equity via affordable housing creation and preservation, LUCHA has built and currently manages 198 units of affordable rental housing for over 450 tenants across four developments spanning Humboldt Park, Logan Square, and West Town:

- **Humboldt Park Residence** (HPR) – a 68-unit SRO facility
- **Borinquen Bella** – a 47-unit scattered-site development of one-, two-, and three-bedroom units
- **Madres Unidas** – a 36-unit scattered-site development of two- and three-bedroom units
- **Tierra Linda** – a 45-unit scattered-site development built to Enterprise Green Community certification and Passive House standards and enriched by a Community Health Action Plan formed in partnership with Enterprise Community Partners.

Additionally, LUCHA serves over 1,300 low- to moderate-income clients per year (62% Latinx, 31% African-American, 3% Multiple Races/Ethnic Groups, 3% Other/Not Reporting, and 1% White) through programs and services across four main modes:

1. **Advocate** (Community Law Program, eTOD, and community organizing)
2. **Educate** (homebuyer assistance, foreclosure prevention, and financial capability)
3. **Build** (affordable housing development, home repairs, property management)
4. **Connect** (resident services focused on health and wellness)

LUCHA depends on critical CRA funding to sustain our housing counseling programming as well as build relationships between lending institutions and the vulnerable LMI populations we serve, given generations of intentional disinvestment in our communities.

A pass-fail test for evaluating banks' retail lending distribution would prompt many banks to do *just enough* to pass. Converting the CRA activities test into a dollar-based metric would encourage banks to cut down on many small, impactful loans and projects – which together may have higher transaction costs – and instead focus on fewer, high-dollar-value projects. Why, for example, would a bank expend resources to build new branches in LMI census tracts, support first time homebuyer counseling, or preserve and create affordable housing when it could spend millions improving an athletic stadium in an LMI Opportunity Zone?

The CRA is the most significant tool we have to ensure that banks meet the needs of our clients – predominantly immigrant, Latino and Black low- and moderate-income (LMI) families and communities. Modernization must preserve what works under the CRA. As Federal Reserve Gov. Brainard recently observed, one of the “core strengths” of the CRA is creating an ecosystem that “encourages banks to engage on the priorities identified by local leaders.” The



Proposal would strip away this core strength in the name of supposed objectivity. To protect the CRA ecosystem, we urge you to suspend the rulemaking process, invite the Federal Reserve back to the table, and release a proposal only when all three regulators are on the same page. This approach is in the best interests of the LMI communities, non-profits, banks and the regulators.

Sincerely,



Lissette Castañeda
Executive Director



3541 W. NORTH AVENUE | CHICAGO, IL 60647 | LUCHA.ORG
EMAIL: lucha@lucha.org TEL: 773.276.5338 FAX: 773.276.5358