From:	Guided Business Plan Team
To:	Comments
Cc:	kstein@calreinvest.org
Subject:	[EXTERNAL MESSAGE] RIN 3064-AF22
Date:	Wednesday, April 08, 2020 12:11:10 PM

April 8, 2020

RE: Community Reinvestment Act Regulations

RIN 3064-AF22: Notice of Proposed Rulemaking,

Docket ID OCC-2018-0008

To Whom It May Concern:

Guided Business Plan strongly opposes the proposed changes to the Community Reinvestment Act (CRA) regulations. According to FDIC Board member Martin Gruenberg, the FDIC's and OCC's Notice of Proposed Rulemaking (NPRM) on the Community Reinvestment Act (CRA) "is a deeply misconceived proposal that would fundamentally undermine and weaken the Community Reinvestment Act."

I am a beneficiary of the CRA as many banks have funded technical assistance programs that utilize my company's "how to" business development books that I wrote over the past decade. Banks that are incentivized by the CRA fund not-for-profit teams who hire vendors (like me) who provide services to borrowers who fuel economic stability in communities.

Every direct benefactor of the CRA is a job creator. The borrower invests in their talent to serve others. Their success leads to hiring independent contractors and eventually full-time employees. Their success inspires their neighbors to explore self-employment to fulfill a societal need. For every dollar borrowed, there is an economic ripple that prevents a tsunami of counter-productive activities that impact our society as a whole.

Without the CRA protections, that borrower may have to go on unemployment or accept an under-paying job that leads to social ills in the home. The people they could have hired face similar insecurities. The negative ripple effect leads to more fear from those "that have" and more panic from those that "don't have" enough to meet a basic living standard.

I have helped thousands of small business owners understand their value and how they serve their customer. Some have created 7-figure plus businesses. They had access to capital to fund a corporate contract they won. They had funds to match their personal savings investment to launch their business. They had access to NO COST advice from experts who cared about their success and paved a way to turn loans into jobs into household prosperity.

With the pandemic transitioning so many too soon, we have to remember…

Our legacy is how we served others.

Please end this rulemaking. The COVID-19 pandemic has made it not only more challenging to focus on submitting thoughtful comments, but it will also create unknown needs in our communities once it subsides. We do not know what community credit needs will exist post-crisis, but we do know that the needs will be greater, and that this will require a stronger CRA, not the weaker CRA that this Proposed Rule will create. Please end this rulemaking for the sake of the low income communities and communities of color that we serve and that are what CRA is all about.

What we need. Real CRA reform would include:

- A retained focus on low and moderate income people and communities.
- A focus on lending that meets community needs, prioritizing loan originations, not purchases of loans that were made by other banks or for-profit companies. Mortgage lending should focus on owner occupants (not investors), and small business lending should focus on smaller loans and smaller businesses. The Consumer Financial Protection Bureau should finalize a strong small business data collection rule so that the bank regulators and the public can clearly see which banks are serving, which banks are harming, and which banks are ignoring LMI communities and communities of color.
- A hybrid approach to assessment areas that ensures that traditional banks and modern branchless banks are actually serving communities. Banks with retail branch presence should service those areas where they operate. Banks without retail branch presence should have reinvestment obligations that consider where deposits are from, and where loans and profits are made. Non retail bank reinvestment obligations should be developed with an eye towards increasing reinvestment in bank deserts, which this proposal does not do.
- Downgrading of CRA ratings for discrimination and harm. Evidence of redlining or discrimination should result in a Needs to Improve or Substantial Noncompliance rating. The agencies should bolster fair lending exams which currently can consist of a mere one or two sentences in a performance evaluation.
- Greater community input, not less. The CRA requires that the starting point for

reinvestment decisions should be community needs, not a list from a federal banking regulator or the desires of big banks. Performance context, transparency of data regarding bank performance to enable better community input, public hearings during mergers, and the development of Community Benefits Agreements should all be encouraged and bolstered.

Melanie Rae

Guided Business Plan

cc: California Reinvestment Coalition

National Community Reinvestment Coalition