



Serving Southeast Idaho

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April 8, 2020

The Honorable Joesph Otting, Comptroller
Office of the Comptroller of Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

The Honorable Jelena McWilliams, Chair
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-0001

RE: Docket ID OCC-2018-0008; RIN 1557-AE-34, 3064-AF22; Reform of the Community Reinvestment Act

Dear Comptroller Otting and Chair McWilliams:

I am the Executive Director of a Community Development Organization in Southeast Idaho called NeighborWorks Pocatello. My organization is also a chartered member of NeighborWorks America. I am submitting these comments in response to the Notice of proposed Community Reinvestment Act amendments. I am in **opposition** to the proposed changes mainly because they rely on a strict “quantitative” approach versus truly addressing the needs of our low income communities like CRA does in its current form.

NeighborWorks Pocatello serves low and moderate income residents and underserved communities in several different ways. We have a home improvement loan program for low-income residents that need to make critical repairs but don't qualify for traditional lender financing, we build brand new affordable homes in low income census tract areas, we teach new homeowners necessary skills via our home buyer Education and Financial Fitness programs, provide credit counseling and much more. Up to now, we've been in the fortunate position of being able to tap into a decent amount of CRA grants from local and regional banks. These funds are a critical piece in keeping our programs afloat. Additionally, CRA funds are generally non-restricted, which is often not the case with HUD and other Federal Funds meaning we can deploy CRA funds much more quickly and efficiently.

Our organization is located in a relatively low population area of Southeast Idaho. Our two largest communities on this side of the State – Pocatello and Idaho Falls, each have less than

60,000 residents and we serve many other smaller communities in between. CRA funds, in their current form, help us accomplish this.

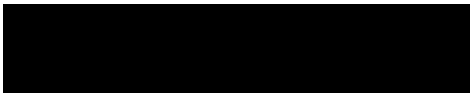
Existing Assessment Areas (AA's) should not be changed at this time. The "deposit based" Assessment Areas in the proposed rule do not even adequately capture where new AA's should be located. I'm concerned that credit will be given to banks by them simply investing in areas where their larger deposits are located (which are often times in higher income areas outside of Southeast Idaho). This means that CRA credit could quickly be fulfilled by investing in a potentially wealthy zip code where a handful of larger deposits are located. This has the negative effect of creating underserved "CRA deserts".

A rewrite of CRA regulations should result in standards that are just as strong – or even stronger than current regulations. The proposed rule change provides the opposite. Given the rebuilding of the economy that will need to take place after the COVID-19 pandemic, now is not the time for this kind of change in a system. From my perspective as a non-profit leader in my community for the past 13-years, CRA resources need to be directed to things like Homebuyer Education, Financial Fitness & Credit Counseling, Affordable Housing Development, Neighborhood Revitalization and helping borrowers gain access to loan products (which we offer) that build wealth. Now is not the time to direct CRA resources to other things the new plan would allow for such as building roads, making donations toward sports stadiums and directing funding away from less affluent areas.

In summary, I offer the following-

- The new approach doesn't measure programs and services that do the right things for low income communities & people and does not spread resources to areas that truly need them
- Now is not the time to upend the current system – both communities and banks need stability during this time of unprecedented economic upheaval
- Please take into consideration all of the comments you are receiving (including mine) and offer a new proposal that better achieves the original goals the Community Reinvestment Act originally set out to accomplish

Thank you for this opportunity to submit comments. Should you need any additional information, please don't hesitate to contact me.



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