



**NATIONAL ASSOCIATION OF
CHRONIC DISEASE DIRECTORS**

Promoting Health. Preventing Disease.

April 8, 2020

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

On behalf of the National Association of Chronic Disease Directors (NACDD), thank you for the opportunity to comment on the proposed rule on Community Reinvestment Act Regulations (RIN 3064-AF22).

Chronic Disease Directors are public health professionals who play a critical role in protecting and promoting Americans' health by administering and overseeing state programs to prevent and reduce chronic disease. As the only organization representing all state and territorial Chronic Disease Directors and their staff, NACDD works to reduce the impact of chronic diseases on the population by advocating for prevention policies and programs. NACDD and its members are committed to ensuring broad and equitable access to programs and services that promote health in the places where people live, learn, work, and play. We are dedicated to identifying and working together with vulnerable and at-risk populations and believe in creating and maintaining conditions that allow everyone to reach their full health potential.

NACDD strongly opposes the proposed changes to the Community Reinvestment Act (CRA) regulations and urges that the proposal be withdrawn. In sum, the proposed changes fundamentally undermine and weaken the CRA, putting at risk critical bank investments in affordable housing and other community benefitting activities that were the clear focus of the CRA when it was passed by Congress in 1977.

NACDD is concerned that the proposed changes to the CRA will magnify place-based health disparities that already exist due to historical policies that disadvantage certain communities. The CRA is intended to encourage banks to lend to all areas of a bank's community and to combat redlining (the practice of not lending in certain minority neighborhoods), but the proposed rule would require banks to serve only half of their assessment areas. This could allow banks to deny services to poor neighborhoods and neighborhoods of color. Redlining contributed to race-based segregation that has an ongoing impact on health equity and health disparities. There is a direct relationship between the historical patterns of discrimination caused by redlining and disease and mortality rates, resulting in health "hot spots" and community-based health challenges that still exist today.¹ NACDD requests that the final rule maintains important prohibitions against redlining (or similar discriminatory activities) to

¹ https://cdn.ymaws.com/www.chronicdisease.org/resource/resmgr/Gillan's_files/Health_Equity_June_2017.pdf

ensure that vulnerable communities aren't further harmed by changes to these important protections.

We are also concerned that changes to the CRA will reduce incentives for banks to focus on the credit needs of low- and moderate-income (LMI) individuals because under the proposed rule eligible activities would no longer be required to primarily benefit LMI communities. LMI people and communities need access to bank loans, investment, and services, and the CRA encourages banks to meet the needs of these communities. If people in LMI communities do not have access to these products and services through traditional banks, they will be forced to turn to fringe banking, payday loans, and other possibly predatory services, which can lead to stress and poor health outcomes. NACDD requests that the final rule maintains incentives for banks to provide low-cost transaction and saving accounts for LMI individuals and communities to avoid negative health consequences.

Any kind of debt can negatively impact health. A systematic review of the impact of debt on health found that being indebted has a negative impact on physical and mental health.² The use of short-term loans and other fringe banking services is associated with worse self-reported health as well as multiple clinical indicators of poor health including higher body mass index, waist circumference, and C-reactive protein levels (a measure of inflammation in the body).³

Another benefit of the CRA is encouraging bank engagement and dialogue with stakeholders in local communities to understand and better serve historically underserved areas. NACDD is concerned that the proposed rule will undermine this important benefit of the CRA which incentivizes banks to develop partnerships with local community organizations and other stakeholders to address community needs. Chronic Disease Directors have long understood the importance of community involvement and cross-sector collaboration in improving community health. NACDD requests that the final rule continues to encourage this engagement and dialogue because without those connections, there could be substantial effects on targeted community investment as well as essential services such as housing.

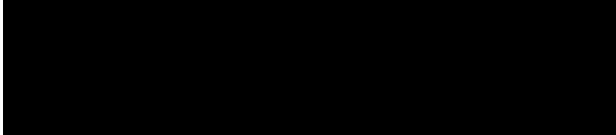
In pressing ahead without fair consideration of prior input and without sufficient time for public comment now, the OCC and the FDIC are creating a two (or three) tiered system of oversight. Banks will be able to choose their regulator based on which provides a friendlier CRA framework. Even under the proposal, small banks under \$500 million in assets can opt out of the new rules and yet lower their current reinvestment obligations. All banks, especially large banks, should have the same, strong reinvestment obligations. When regulators choose different rules, and banks can choose their regulators, communities lose.

² Elina Turunen and Heikki Hiilamo, "Health Effects of Indebtedness: A Systematic Review" *BioMed Central Public Health* 14 (2014): 489, <http://www.biomedcentral.com/1471-2458/14/489>

³ Elizabeth Sweet, Christopher W. Kuzawa, and Thomas W. McDade, "Short-term Lending: Payday Loans as Risk Factors for Anxiety, Inflammation and Poor Health." *Social Science & Medicine—Population Health* 5, (2018): 114, <https://doi.org/10.1016/j.ssmph.2018.05.009>.

NACDD is committed to supporting policies in any sector, including banking, that improve the health of the public and result in chronic disease prevention and health promotion. This deeply flawed proposal would result in substantially less lending and investment – particularly in affordable housing – in the very communities that were the focus of CRA when passed by Congress in 1977. We strongly urge the OCC and FDIC to withdraw this proposal and maintain the benefits of the current CRA regulations.

Sincerely,



John W. Robitscher, MPH
CEO
National Association of Chronic Disease Directors