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:

The Chicago Jobs Council submits these comments in response to the OCC/FDIC's Notice of Proposed Rulemaking (the "Proposal") regarding the Community Reinvestment Act (CRA). The Chicago Jobs Council opposes the Proposal's shift from qualitative to quantitative evaluation measures. Dollar amounts matter, but not to the exclusion of a qualitative assessment of banks' activities to *meet local community needs*. This Proposal would reduce bank investments and services in low- and moderate-income (LMI) communities, and undermine the purpose of the CRA.

The Chicago Jobs Council works to move people out of poverty through employment. Our network of member organizations provides employment and training services throughout the Chicago region and beyond, offering job readiness training, credentials, wrap around support services, entrepreneurial preparation, job placement, and much more.

Investment is desperately needed in the low-income communities where job seekers most struggle to enter the labor market. The CRA drives much needed investments, loans, and services in our communities, and strengthens the ability of non-profits like ours to create more opportunities to participate in the economy. With a weakened CRA, job seekers will have fewer opportunities for themselves and their families. They will be forced to continue long-distance commutes to seek employment far away from their communities. And they will be forced to fight over a smaller pool of investments to fund their own small businesses and startups.

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. For example, why would a bank expend resources to invest in business efforts or community-based programs that upskill workers who face barriers to employment when it could spend millions improving an athletic stadium in an LMI Opportunity Zone?

CHICAGO JOBS COUNCIL

The CRA is the most significant tool we have to ensure that banks meet the needs of 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,

Carrie Thomas
Executive Director
Chicago Jobs Council

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