

From: Robert Embry <embry@abell.org>
Sent: Wednesday, April 08, 2020 4:34 PM
To: cra.reg@occ.treas.gov; Comments
Subject: [EXTERNAL MESSAGE] Community Reinvestment Act

April 7, 2020

RE: OCC-2018-0008 and RIN 3064-AF22

To Whom It May Concern:

The Abell Foundation is the largest private foundation exclusively focused on serving Maryland. Our grantmaking is geographically focused in Baltimore City, a jurisdiction with a high proportion of low income residents and which faces significant economic challenges and disinvestment. Over the past five decades, the Community Reinvestment Act has been one of the prime ways investment has been spurred and opportunities created for low income residents of Baltimore. The Abell Foundation's grantmaking in communities around issues of poverty and our investments in local businesses have been leveraged and enhanced by bank lending and giving under Community Reinvestment Act requirements.

By weakening requirements that banks make mortgage and commercial loans in low and moderate income communities where depositors reside, wide swaths of Baltimore City could become investment deserts. Prospective homebuyers would be forced to turn to higher interest loans with predatory terms from non-bank entities. These same communities already suffer from an underinvestment in brick and mortar bank branches. Without strong CRA requirements for banks to serve these communities, it is likely that remaining branches would also leave. Budding entrepreneurs and individuals desiring to establish banking relationships would have to go outside their communities to inquire about the products and services that more affluent communities can access. Further, the expansion of the definition of small business to include all enterprises with revenue up to \$2 million will disadvantage our small and main street businesses, the majority of whom have revenues of less than \$1 million.

Affordable housing is a critical need in the Baltimore region. The definition of affordable should not be expanded to include middle-income residents nor should the standard for verifying that housing is being leased to low and moderate income tenants be weakened.

Baltimore, like many cities, continues to suffer the lingering effects of redlining, blockbusting, mortgage flipping, predatory lending, and other discriminatory practices that have made economic growth and prosperity an ongoing challenge for many of our residents. We believe the proposed changes to the Community Reinvestment Act will exacerbate the challenges many in the City have to access capital and create wealth for their families and their communities.

Congress originally passed the Community Reinvestment Act in response to redlining of low- and moderate-income communities and communities of color. This proposed rule encourages a return to the historically damaging practice of redlining. I oppose all the changes to the Community Reinvestment Act regulations proposed by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC).

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