TROY REHABILITATION & IMPROVEMENT PROGRAM, INC.

RENSSELAER COUNTY HOUSING RESOURCES

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To the OCC and FDIC:

The Troy Rehabilitation and Improvement Program (TRIP), Inc., a not-for-profit community development corporation created in 1968 and an affiliate of the national NeighborWorks America network, is opposed to the proposed regulatatory changes to the Commuity Reinvestment Act. We believe that the recommendations would result in greatly reduced support to LMI communities and would gut the anti-redlining intent and benefits of the CRA since its passage in 1977.

Furthermore, we believe that such changes, if proposed, would exacerbate the economic disparity that has been growing for years. An ALICE (Asset Limited, Income Constrained, Employed) study done by the United Way of New York State in September 2018 showed that more than 4 in 10 NYS residents could not afford the basics of housing , health care, food, child care, transportation, and technology. More than half of all jobs in the state paid less than $20 an hour, which is projected to provide for only 2/3 of a Household Survival Budget for a family of 4.

Added to this is the unknown, yet likely to be devastating, economic impact of the Coronavirus crisis on millions of people and our communities.

TRIP and affiliate Rensselaer County Housing Resources provide a broad spectrum of affordable housing and community deveolpment activities in the City of Troy, Rensselaer County, and throughout the larger Capital District region in upstate New York. For more than fifty years, TRIP has worked in LMI neighborhoods in developing affordable housing for first-time homeownership opportunities and quality rental housing, providing housing and financial counseling and education, assisting with downpayment and closing cost assistance for homebuyers and home repair funding for homebuyers/owners, rehabilitating vacant buildings for owner-occupancy and the return of properties to the local tax rolls, and providing employment opportunities and/or training programs to local residents. These activities assist individuals and their families with stable housing, enabling them to build assets and achieve success in other ways, while stabilizing neighborhoods that have been long-neglected.

Throughout our fifty years, CRA has been a critical tool helping us to implement our work. We have strong partnerships with many of the area's lenders through financial support for our work; participation in our educational programs on homebuying, homeownership, and financial literacy; discussions about the financial needs of LMI households and communities, and financial products to better serve them; loan modifications for distressed homeowners; the ability to purchase REO properties when appropriate; promoting public programs that assist LMI households with savings, etc; and in many more ways. These partnerships enable us to be innovative for greater impact.

Therefore, we are concerned that the CRA not be undermined, as it appears many of the proposed changes would do.

Specifically, we believe that the One Ratio factor on CRA exams will lead to financing of larger projects to the detriment of smaller residential and small business lending, which is the greatest need in many LMI communities. Furthermore, this ratio approach decreases the consideration given to how an institution's products and activities fit the local need, which should be paramount in such analyses. In a small city like Troy, smaller projects that struggle to arrange financing often have a greater impact on an impoverished neighborhood than larger-scale rehabilitations. For example, rehabbing for owner-occupancy several small, 2-3 unit vacant buildings on a couple of blocks is more transformative and beneficial to the residents of a LMI neighborhood than undertaking a large-scale rehab of an old warehouse in the industrial area.

Diluting the *definition* of affordable housing, rather than focusing on the ultimate beneficiaries of such housing, further undermines the impact of CRA. Expanding the infrastructure activities allowed without ensuring benefit to LMI residents is another erosion of CRA's purpose. Similarly, we oppose expanding eligible activities to include big projects in LMI tracts in Opportunity Zones without consideration of any benefits to LMI residents.

Another proposed change that we oppose is the pass/fail system (instead of generating ratings) for the lending test for home mortgages, consumer and small business lending. Again, these are some of the basic credit gaps in our communities and we are concerned about any dilution of their importance.

We are concerned about the unbanked population and the current dearth of bank branches in our underserved communities. Having a local presence through bank branches, for example, is key to ensuring that low-income people have access to financial services while informing that banks are aware of the needs of these communities. We are, therefore, very concerned about the decreased importance given to bank branches under the one ratio system as well as to the lack of examination of basic bank account services. The expectation is that we will lose any remaiing bank branches and a resultant loss in LMI lending.

In summary, we believe that CRA is central to meeting the credit and capital needs of LMI people and communities. Consequently, CRA rules and exams should be simplified and more transparent in order to facilitate public scrutiny and input. Instead, the proposed rules appear to complicate and obfuscate the process, which we believe will lead to reduced investment in these needy communities.

Thank your for the opportunity to comment n the proposed .

Sincerely,

[redacted]

Christine Nealon
Executive Director

cc: Senator Charles Schumer
Senator Kirsten Gillibrand
Congressmember Paul Tonko