

August 2, 2022

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations

To Whom It May Concern:

On behalf of the Healthcare Anchor Network (HAN), a national not-for-profit collaboration of health systems more intentionally leveraging their purchasing, hiring, and investing power to improve health and well-being by addressing economic and racial inequities in the communities they serve. I would like to convey my support of the Notice of Proposed Rulemaking (NPR) on the Community Reinvestment Act (CRA). We believe that the proposed changes to the CRA regulations outlined in the NPR would help to clarify and enhance investment in the health of our community.

HAN's network is comprised of over 70 leading health systems in 48 states and Washington, DC that together employ almost two million people, purchase \$75 billion annually, and have over \$150 billion in investment assets. HAN health system members focus on building more inclusive and sustainable local economies and see their roles as locally rooted institutions committed to their communities' long-term well-being. They also understand that hospitals and health systems are critical partners in addressing equitable economic development because good health requires that all of us live in homes that we can afford.

The CRA contributes to creating healthier communities by addressing the social determinants of health such as housing, food through the building of grocery stores and local programs, and investing in neighborhoods. A safe, stable, and economically thriving place to live supports the health of all people throughout the course of their lives and creates thriving communities. HAN members collaborate with community-based organizations in their regions and localities to invest in projects that impact the social determinants of health for our most vulnerable community members. Banks that these health anchors partner with look to CRA credit as added incentive to collaboration. A strong and clear CRA offers the potential for greater collaboration between hospitals and banks to invest in and create healthier communities.

The expanded definition of "community development" helps to clarify that banks can and should make investments in hospital systems to support community development. Two of the definitional categories, community infrastructure and essential community facilities, now name health services explicitly. The NPR also removes the stipulation that community facilities must *also* attract or retain businesses and residents. This is a laudable goal but was applied inconsistently in CRA exams, making it more difficult to qualify the activities for CRA consideration. The proposed changes will enable more banks to feel secure that their investment in healthcare will go towards their CRA credit. This can lead to increased investment and have direct positive impacts on the health and wellbeing for residents in low and moderate income communities.

We also urge the agencies to improve data collection for the impact review section of the community development finance test. Data on impacts such as the number of beds in health facilities or how many housing units had lead paint abatement will better capture the importance of funding health initiatives and better motivate banks to invest in these initiatives since their outcomes will be more accurately reflected on CRA exams. We also strongly support the proposed data collection for all large banks regarding the dollar amount of community development activity, the category of the activity, and the location of the activity.

Clinical care and personal behavior are not the only factors that contribute to health outcomes. Sixty percent of health outcomes are due to social determinants such as: affordable and stable housing, income, job opportunities, access to healthy foods, and more. In order to best promote healthier outcomes, we need affordable housing, steady job growth, thriving schools, and recreation and green spaces in our communities. A strengthened CRA is needed to encourage banks to make loans and investments to support these social determinants of health.

The agencies bolstered the rigor on the large bank retail lending test by introducing performance ranges for comparisons among a bank's lending and demographic and market benchmarks. This approach would decrease ratings inflation and result in more failing and low satisfactory ratings on the lending test. As a result of this proposed reform, several banks would likely respond by boosting their retail lending to underserved communities. The other large bank tests such as community development finance and services include improvements but need to be further developed to guide examiners against inflating ratings.

The NPR does not go far enough in considering racial inequality. Persistent racial disparities in lending should compel the agencies to incorporate race and ethnicity in CRA exams. A recent national level analysis showed continuing disparities in loan denials by race.

The Healthcare Anchor Network appreciates the consideration of the health of our underserved communities as a critical part of CRA. The agencies should codify those pieces of the NPR. And while we believe that the NPR is a good start and promises to make parts of CRA exams more rigorous, we urge the agencies to extend the rigor of the large bank lending test to the other tests. We also ask the agencies to incorporate race in CRA exams. Thank you for providing this opportunity to comment on this critical rulemaking.

Sincerely,



David Zuckerman

President