



Re: RIN 3064-AF81

Dear FDIC,

South Dallas/Fair Park Innereity Community Development Corporation (ICDC) appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPR), regarding updating the Community Reinvestment Act (CRA). This NPR represents the most significant changes to the CRA regulation and exams in 27 years. The Community Reinvestment Act has helped ICDC to create economic development initiatives that have resulted in a 21,000 sq. ft. business complex consisting of a dental clinic, pharmacy, a salon, a business assistance center, a 6,000 sq. ft. workforce training center, and a 5900 sq. ft. healthcare center. In addition, ICDC has constructed and sold over 300 single-family homes with the assistance of the CRA.

South Dallas/Fair Park Innereity Community Development Corporation is a community-based 501 (C) 3 CDC with a mission to create vibrant, stable, and safe South Dallas Fair Park neighborhoods by building partnerships that provide homeownership, economic development, workforce training, community education, and advocacy, all under one comprehensive umbrella of holistic community development services.

The NPR proposed some significant improvements in test rigor, but the improvements are not across the board on all aspects of the exams. The NPR also improved data collection and the breadth of geographical areas on exams but did not include race on exams. The CRA must continue to use race data because racism continues to exist as evidenced by the ongoing systemic disparities in credit access for minority communities. Additionally, redlining of the past has not been remedied. People of color particularly African Americans have not recovered from past discrimination and Jim Crow.

CRA can identify and address persistent racial disparities that have direct impacts on quality of life and health outcomes. Since CRA requires banks to meet the needs of communities, the agencies must elevate the importance of public comments regarding the extent to which banks are meeting the community needs. The agencies proposed to continue the current practice of sending any comments on CRA performance to banks and are also considering publishing



comments received on agency websites. We urge the agencies to post comments on their websites and to establish a public registry for community organizations to sign up if they wish to comment on CRA's performance. In addition, we ask that the agencies publish a list of organizations that comment and that the agencies identify those led by people of color and women in an effort to seek input from a diverse range of organizations. Banks should involve community advocates in developing a strong outreach program.

The agencies correctly proposed to include new data collecting requirements for deposits, community development activities, and automobile lending. Some of this data such as deposit and automobile lending would not be publicly available, which limits the extent to which the public can hold banks accountable. We ask the agencies to reconsider this decision and also to expand this data collection to all large banks.

Advocates have urged the agencies to examine lending that occurs online. The agencies proposed to create assessment areas where a large bank does not have branches when a bank has issued 100 home loans or 250 small business loans. This proposal would result in the great majority of total lending being incorporated on exams and would therefore hold banks more accountable for serving low- and moderate-income communities. However, the agencies must further ensure that exams do not overlook assessment areas containing smaller metropolitan areas and rural counties.

The agencies proposed to eliminate certain subtests for about 1,000 medium-sized and smaller banks that would eliminate their accountability for providing community development finance and branches in underserved communities. These changes lack justification since these banks have been successfully performing these activities for several years. We urge the agencies to eliminate this aspect of the NPR since it would reduce reinvestment activity.

The NPR is a good start and promises to make parts of CRA exams more rigorous, but 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 the race lending test into the other tests. We are also asking the agencies to incorporate race in CRA exams, expand the public reporting of their data collection



proposals, and incorporate the other improvements discussed above. If CRA is improved while maintaining public input and accountability, we believe the proposed rule could help reduce inequalities, disinvestment, and other disadvantages in America's overlooked communities.

Conclusion

Strengthening the CRA will help to ensure that banks are serving minority communities with rigor and consistency. Revisions to the CRA regulations must put the credit needs of low- to moderate-income people and communities of color first. Once again people of color must recover from past discrimination. ICDC believes that the CRA must be strengthened to serve in a much greater way low- to moderate-income communities and people of color.


Diane Ragsdale
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