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August 5, 2022

RE: **Community Reinvestment Act Proposed Rulemaking [87 FR 33884]**

OCC: 12 CFR Part 25; Docket ID OCC-2022-0002; RIN 1557-AF15

Federal Reserve: 12 CFR Part 228; Regulation BB Docket No. R-1769; RIN 7100-AG29

FDIC: 12 CFR Part 345; RIN 3064-AF81

Pima County Community Land Trust (PCCLT) 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.

*PCCLT is a **Community Land Trust (CLT)** and a HUD approved housing counseling agency. Incorporated in 2010 during the last housing crisis, PCCLT received NSP funds to purchase REO properties, rehabilitate them and sell to low-moderate income households.*

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120 low-moderate income households have purchased an affordable CLT home and hundreds more have benefited from the housing counseling services, homebuyer education workshops and down payment assistance we offer to purchase in the open market. PCCLT provided \$3.3 million in write-downs or discounts meant to improve affordability and that have resulted in over \$10 million in affordable mortgage originations and millions more in the open market. Bank participation is crucial if we are to weather the current affordability issue facing our country. Banks have historically taken the lead in collaborating with housing agencies to create affordable and flexible loan products, provide down payment assistance and fund and collaborate with HUD Housing Counseling agencies to provide homebuyer education.

As a small-scale affordable housing developer, PCCLT is always in need of community financing and it would be helpful if these funds prioritized innovative solutions to our affordable housing crisis such as our CLT model and were also confined to resident owned or nonprofit organizations that focus on affordable housing for low-moderate income households. We could not do our work without the valuable participation of our local lenders.

The NPR proposed some significant improvements in test rigor but the improvements are not across the board on all aspects of exams. The NPR also improved data collection and the breadth of geographical areas on exams but did not include race on exams. ***75% of PCCLT's homeowners are BIPOC and 55% are women and although we are grateful to our lender partners, this is the result of who we serve and not a result of who our lender partners serve. It is important to track who is providing loans to whom and where to ensure that ALL member of our community receive equal service.***

NCRC had asserted [in a paper](#) that it is possible for changes to CRA to comply with legal standards if CRA examined lending by race and ethnicity in geographical areas experiencing ongoing discrimination. By including race and ethnicity, 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 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 also to establish a public registry for community organizations to sign up if they wish to comment on CRA 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. ***It has been a challenge to find lenders willing and able to do loans for CLT homeowners. Even though the CLT provides stopgap***

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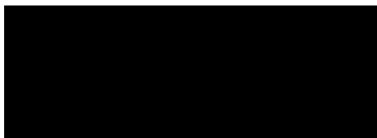
measures by providing ongoing counseling and resources resulting in a foreclosure rate of less than 1%. Partnerships with groups like the PCCLT should be viewed by banks as a risk mitigation tool, in addition to being a tool for creating affordable housing and getting CRA credit. A triple win!

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 race in CRA exams, to expand the public reporting of their data collection proposals and to 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.

Sincerely,

A solid black rectangular box redacting the signature of Maggie Amado-Tellez.

Maggie Amado-Tellez
Executive Director

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