



Neighborhood Housing Services of Baltimore, Inc.

Corporate Office
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The Honorable Jerome Powell, Chairman
Board of Governors of the Federal Reserve System
Attention: Ann E. Misback, Secretary
20th Street and Constitution Ave. NW
Washington, DC 20551
RE: Docket Number R-1769, RIN 7100-AG29

The Honorable Michael Hsu, Comptroller
Office of the Comptroller of the Currency
Attention: Comment Processing
Chief Counsel's Office
400 7th Street SW, Suite 3E-218
Washington, DC 20219
RE: OCC Docket ID OCC-2022-0002

The Honorable Martin Gruenberg, Acting Chair
Federal Deposit Insurance Corporation
Attention: James P. Sheesley, Assistant Executive Secretary
550 17th Street NW
Washington, DC 20429
Attention: Comments RIN 3064-AF81

RE: Notice of Proposed Rulemaking -- Community Reinvestment Act

Dear Chairman Powell, Comptroller Hsu, and Acting Chair Gruenberg:

NHS of Baltimore believes that social and economic justice are a right for all people and all communities. Everything we do stems from that core belief, so we welcome the opportunity to share our thoughts on the significant proposed changes to the Community Reinvestment Act (CRA). We are hopeful that this Notice of Proposed Rulemaking (NPR) will improve the core purpose, provide greater clarity, create consistency and more.

NHS was founded in 1974 and continues to serve the Baltimore community through financial coaching, down payment assistance, acquisition/rehab development, and most recently providing mortgages through our First Mortgage program. NHS is a chartered member of the NeighborWorks America network, a Community Development Financial Institution (CDFI) lender, HUD certified Housing Counseling agency, and does community engagement in West Baltimore. So far, this year, NHS has provided housing counseling to 255 customers and has provided 109 down payment assistance loans to clients that resulted in homeownership.





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Through NHS's recent real estate acquisition/rehab program, we have acquired 29 properties over the past year within the Panway Braddish community of West Baltimore and have sold five of these homes to new homeowners, some who are community members.

The CRA was created to help address inequities that were created by redlining, and the CRA still remains a critical part of making investments in communities like West Baltimore. To continue to provide economic justice and promote homeownership to low- and moderate-income neighborhoods, financial institutions must provide financial products to improve community development. To strengthen the current rule of automatic enrollment activities undertaken with a CDFI, we suggest that the rule be extended to include activities undertaken by NeighborWorks network organizations. We also support expansion of automatic enrollment of activities to HUD certified housing counseling agencies. Both of these segments, like CDFI's, require government oversight and review to ensure ongoing compliance with program guidelines. Including each of these groups would also further promote partnerships between banks and locally based non-profit organizations having significant impact in communities.

In partnership with Coppin Heights Community Development Corporation, and Osprey Development, we have created an affordable market-rate rental complex located in West Baltimore. This low-income housing tax credit (LIHTC) project has afforded us the opportunity to address some problems that underserved and low-income communities face. This complex not only has affordable rental units but has ground level retail space that houses Truist Bank, and will soon be the home to The Mill on North Food Hall. We propose that when measuring community impact that LIHTC credit is prioritized in communities that are in most need of affordable housing. This will help to continue to address community needs.

The NPR proposed to produce exam tables that describes lending by race using Home Mortgage Disclosure Act (HMDA). This data can be very beneficial, but it needs to contribute to the banks rating to improve racial disparities in lending. We propose that the CRA exams include lending examinations by race and ethnicity in geographical areas experiencing discrimination. This should make determining communities that are experiencing unfair banking investments clear to effectively bring about change.

Furthermore, NHS urges that a public registry is created for organizations that want to be informed about a banks CRA performance. The registry will increase a banks accountability to meet community needs and allow the community organizations to have input and this will help the CRA allow the input to remain a factor during CRA performance evaluations.

Publicizing financial institutions data collection that includes lending, deposits and all community development activities is important for transparency and accountability. As of now banks with assets over \$10 billion are required to share this information. We propose that this requirement extends to all banks deemed large by the CRA.

To strengthen the CRA, NHS would strongly recommend that, under the CD Services test, separate metrics be kept regarding grants to non-profits so that the banks would be incentivized to work more closely with non-profits.





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Evaluating the current CRA and making improvements to it through NPR is needed to keep the CRA modernized and moving forward to fit the needs of today's low- and moderate-income communities. NHS appreciates the opportunity to comment on the proposed changes that will address the inequities and strengthen the CRA.

Sincerely,



Daniel T. Ellis
Executive Director

