



August 5, 2022

Via Electronic Submission

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Re: Community Reinvestment Act Comments in Response to Proposed Rulemaking

OCC: Docket ID OCC-2022-0002; RIN 1557-AF15

FRB: Docket No. R-1769; RIN 7100-AG29

FDIC: RIN 3064-AF81

To Whom it May Concern:

Amalgamated Bank is pleased to submit comments relative to the Community Reinvestment Act Notice of Proposed Rulemaking.

Although the CRA was originally enacted in 1977, true accountability for compliance did not occur until 1995 when the regulation became more action-oriented and exam ratings were made available to the public. The public disclosure of ratings propelled financial institutions to find new ways to reinvest in low- and moderate-income areas. Although the 1995 revision resulted in many impactful projects in LMI areas, the income-based Community Reinvestment Act has not been impactful in narrowing the racial wealth gap that undeniably exists. Clearly there is more that can and should be done to ensure economic justice for all. While the proposed CRA regulation delivers some welcome changes, other areas could be enhanced.



Accountability of All Lenders

The financial landscape has changed significantly over the years and financial institutions are increasingly competing with non-bank lenders and credit unions. According to data from the Consumer Financial Protection Bureau, 70% of closed-end mortgages in 2020 were originated by credit unions and other non-bank lenders. As these competitors are included in the aggregate lending data, we believe they should also be held accountable for CRA compliance to create a level playing field.¹

Facility-based Assessment Areas

The proposed regulation retains the requirement that assessment areas must not reflect illegal discrimination or arbitrarily exclude low- and moderate-income areas. We encourage the agencies to add the requirement that majority-minority census tracts must not be arbitrarily excluded from facility-based assessment areas.

Comments on Requested Feedback

Question 14. Should any or all place-based definition activities be required to be conducted in conjunction with a government plan, program, or initiative and include an explicit focus of benefitting the targeted census tract(s)? If so, are there appropriate standards for plans, programs, or initiatives? Are there alternative options for determining whether place-based definition activities meet identified community needs?

As the agencies have acknowledged, not all vulnerable communities have a government plan in place for disaster preparedness or climate resiliency. In the absence of a formal government plan, banks should receive credit if the documentation of benefits to a vulnerable population is presented.

Question 106. Should special purpose credit programs meeting the credit needs of a bank's assessment areas be included in the regulation as an example of loan product or program that facilitates home mortgage and consumer lending for low- and moderate-income individuals?

Special purpose credit programs that meet the needs of a bank's assessment area should be given credit for benefitting LMI individuals. However, we support extending this example to include special purpose credit programs designed to meet the needs of the BIPOC community.

Question 119. The agencies are seeking feedback on alternatives to determining the denominator of the bank assessment area community development financing metric. What are the benefits and drawbacks, including data challenges, of implementing an alternative approach that bases the denominator of the metric on the share of bank depositors residing in the assessment area (described above) in contrast to the proposed approach of relying on dollar amounts of deposits?

The proposed rule combines CD investments and CD loans as the numerator in the performance metric for the Community Development Finance Test. Combining these two community development activities may incentivize financial institutions to select one option over the other without considering which option would be more beneficial for the project to move forward. Capital stacks required for community development initiatives vary from one project to another, and impactful projects may be delayed if the proper capital cannot be obtained.



When determining the denominator of this metric, we support using the dollar amount of deposits rather than the share of bank depositors. Obtaining accurate data on the actual share of bank depositors residing in the assessment area will be difficult.

Question 148. Should large banks with assets of \$10 billion or less that elect to collect and maintain deposits data also be required to report deposits data? Under an alternative approach in which all large banks with assets of \$10 billion or less are required to collect and maintain deposits data, should these banks also be required to report the data, or would it be appropriate to limit new data burden for these banks by not requiring them to report the data?

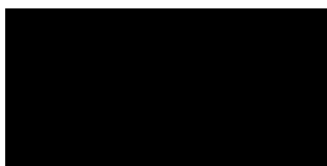
We applaud the agencies' efforts to prevent additional regulatory burden on smaller banks by requiring only banks with over \$10 billion in assets to report additional deposit data. We support the optional collection of deposit data for banks with \$10 billion or less in assets without the additional burden of reporting.

Question 173. Should the agencies disclose HMDA data by race and ethnicity in large bank CRA performance evaluations?

We support the disclosure of HMDA data by race and ethnicity in large bank CRA evaluations. Although the CRA has impactfully increased lending in low- and moderate-income areas, the critical issue of the expanding racial wealth gap has not been addressed. According to research conducted by the Urban Institute, less than 12% of all census tracts are both LMI and predominantly minority.² LMI lending does not necessarily benefit minorities, and the gap continues to widen. The proposal to disclose mortgage originations and applications by race and ethnicity is a first step, but it may not go far enough to identify other discriminatory practices. The evaluation of minority lending should not be buried in the already complex CRA proposal.

Amalgamated Bank appreciates the Agencies' efforts to work together on the CRA modernization process and to solicit public comments of these proposed changes.

Sincerely ,



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1 CFPB Data Point - 2020 Mortgage Market Activity and Trends p51

2 Should the Community Reinvestment Act Consider Race?