*NOTE: The deadline for submissions of comments has been extended to 8 April, 2020.*

[DATE]

The Honorable Joseph M. Otting

Comptroller

Office of the Comptroller of the Currency,
 400 7th Street SW, Suite 3E-218
Washington, DC 20219.

Re: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations, Docket ID OCC-2018-0008

[Name of organization] writes to comment with our concerns about the proposed changes to the Community Reinvestment Act (CRA). The CRA, enacted in 1977, is intended to be a critical tool to ensure banks lend, invest, and provide services to low income people. The CRA, though imperfect, has been an important tool for catalyzing investment in low-income communities often beyond the reach of traditional bank business models. We are disappointed that the proposed changes miss an opportunity to strengthen the CRA while also missing an opportunity to invest in communities, including many communities in small town and rural America, that have lost out on CRA benefits as regulators have permitted the banking industry to consolidate.

{insert a few sentences about your organization, the communities in which you work, and how you CRA has worked or does not work to reach low-income communities in your area}

We are supportive of the idea of modernizing CRA and particularly the sentiment that the good work of CRA be expanded to better serve existing beneficiaries with additional investment, and to channel investments to low income people in areas where banks make loans but do not have branches or carry out community development-type investments. Unfortunately, this reform appears not to protect the current communities CRA has channeled investment to, and also appears to not effectively expand to currently neglected communities.

1. **Failure to maintain or expand investments for low income people in communities currently receiving meaningful CRA investments**

While there are many parts of the proposal that merit concern and reconsideration, the following three areas are the ones of particular importance. Each of them on their own is troubling, and combined, they are even more so because the sum of the effect is to move banks away from smaller, perhaps more complicated investments in low income people towards easier, larger transactions.

* First, the proposal seems to prioritize big projects by evaluating banks’ ability to maximize an overall dollar amount of community reinvestment. This monetization of all activities, combined with the expansion of activities and areas discussed below, will make it easier for banks to do fewer projects that would more likely happen even without CRA in the private market. Banks will then have less reason to engage in smaller, more challenging community reinvestment activities benefiting those Americans who could most use the investment.
* Second, the proposal seems to be deprioritizing community development activities both by removing them from the definition of economic revitalization and adding to the list of CRA qualifying activities major infrastructure items stadiums, large agriculture projects and other things not directly tied to investing in low-income people. We are supportive of infrastructure investment in Appalachia – we need more of it. But those large projects are not what CRA was designed to address; CRA investment done right could boost Appalachia’s low income people and businesses.
* Third, the proposal requires high CRA performance in only 51% of the bank’s assessment areas. Although the regulators are requesting comments on whether they should raise this to 80%, the effect is the same: it can lead to overlooking the most distressed communities.
1. **Failure to effectively expand investment to low income people living in areas currently not well served by CRA**

In principle, we support banks receiving CRA credit for activities outside of the communities in which they have branches so long as they do not shortchange the investment in their traditional assessment areas. Serving additional new assessment areas is particularly important for rural communities that have faced a decline of bank branches.

* However, the proposal misses the mark by calculating these new areas on the basis of the amount of deposits in certain communities. But where do most banks have the most of their deposits? Not in additional low income areas, but instead in affluent areas parts of the country – banks would just have more options to serve other affluent areas. We recommend instead assessment areas determined on the percentage of market share of loans a bank makes.
* In addition, across all assessment areas, the incentives to actually serve low income people has been reduced. In addition to this happening in the ways mentioned in section 1) above, we note that the new bonus for core community development activities could also let a bank do half as much of these activities and receive the same amount of credit as they do today, with a current 98% CRA passage rate for banks. We contend that CRA should increase this investment, not permit it to be deceased with no consequence as is proposed.

For [number of years your organization has existed] , [name of organization] has been working to ensure our communities are places of economic opportunity for all people, including low income Americans. We wish the intentions in this rule had lived up to the promise of renewed CRA, but they do not. We hope you will adjust your proposal taking into account these comments, to reach the very possible goal of a CRA that does work for people in our community.

Sincerely,

{name of organization}

{contact information}