Dear Chairman McWilliams, Comptroller Otting, and Chairman Powell:

Since 1977, the Community Reinvestment Act (CRA) has driven inclusion and equity in the financial markets. The act compels banks to serve the credit needs of their communities. It became an indispensible tool for historically marginalized communities excluded from the financial mainstream. The Office of the Comptroller of the Currency, the Federal Deposit Insurance Company and the Federal Reserve are considering changes to CRA regulations and examination procedures. We, the undersigned civil rights, fair lending, community, consumer rights groups, and labor groups support improvements that strengthen the CRA. However, we must not undermine the effectiveness of CRA by designing a new framework that fails to hold
banks accountable for meeting credit needs of their local communities. We are writing to urge you to support the National Community Reinvestment Coalition’s (NCRC) general reform principles. CRA reform that does not account for all of these principles will endanger the mission of the CRA, and will be opposed by all of the undersigned organizations.

The CRA has leveraged trillions of dollars in responsible loans, investments, and services for traditionally underserved communities.1 CRA is one of the most effective community development laws in that it does not require public subsidy and instead focuses on the obligation of financial institutions to reinvest deposits into the communities that use and patronize banks. The OCC, FDIC and Federal Reserve are considering changes to CRA regulations and examination procedures. We must not undermine the effectiveness of CRA by designing a new framework that fails to hold banks accountable for meeting credit needs of local communities. We cannot afford to weaken one of the most effective community development tools our country has for rebuilding redlined neighborhoods.

Reforming CRA must not become a pretext for relaxing CRA. We believe that regulatory reform should be accompanied by legislative reform that extends CRA coverage to the entire financial industry. If the regulatory agencies contradict or contravene these principles, we will oppose the reform efforts.

- **Assessment Areas Must be Preserved and Expanded** – CRA exams must retain a local geographical focus. Congress passed CRA in response to the redlining of communities. Currently, CRA exams judge bank performance in assessment areas or geographical areas that contain bank branches and deposit-taking ATMs.2 These assessment areas work for many banks that do most of their lending through branches. However, other banks make loans through non-branch means such as the internet. In addition, financial technology companies (fintechs) have recently applied to the federal banking agencies for bank charters and fintechs make all of their loans through the internet. Assessment areas can expand to include geographical areas where banks and fintechs are gathering deposits or making loans outside of their branch networks. Rural areas and smaller metropolitan areas must receive more attention on CRA exams. However, it is not acceptable to obliterate assessment areas in CRA exams as some contemplate. This would be contrary to the purpose of CRA to prevent redlining. Moreover, removing assessment areas from CRA exams would decrease lending to LMI communities since research has found that assessment areas bolster lending in modest income communities.3 CRA must continue to adhere to its original purpose to ensure that local community needs are met. Do not remove “community” from CRA.

---


2 CRA regulation, see §25.41 assessment area delineation, viewed at https://www.ffiec.gov/cra/regulation.htm

• **Avoid Simplistic Measures of Performance** – The existing CRA examination criteria carefully balance various important activities for low- and moderate-income communities. Some have suggested a radical overhaul of examination criteria, for instance, reducing CRA performance to a simple formula such as comparing the sum of CRA activities to bank assets. However, ratios are part and parcel of the comprehensive exam, and one ratio cannot accurately assess a bank’s performance. Relying on a single ratio to determine CRA compliance does not ensure that low- and moderate-income (LMI) communities are being served. This would open the door for banks to pick and choose which communities they serve, potentially leaving out the very communities that CRA was enacted to support. It would also be another attempt to eliminate the focus of CRA exams to local needs that vary across a bank’s footprint. While objective measures of performance can be improved on CRA exams, a reduction of CRA to only a few formulas would contradict the original local focus of the law.

• **Public Participation Must be Safeguarded** – Attempts by the regulatory agencies to truncate public participation requirements are counterproductive and contrary to the intent and purpose of CRA. The heart and soul of CRA is public participation. The public has a right to comment on CRA exams and merger applications. No stakeholder has better insights than community residents. If banks and regulatory agencies do not seriously consider the comments of community residents, they will not effectively respond to local credit needs.

• **Maintain the Importance of Branches** – Currently, the CRA service test places primary emphasis on bank branches while still considering alternative service delivery. Some have proposed deemphasizing branches on CRA exams.4 A large body of research documents that home and small business lending increases to LMI borrowers in areas with more branches.5 Deemphasizing bank branches on CRA exams would cause banks to pay less attention to neighborhoods where they receive deposits, thereby increasing redlining. Moreover, lending and bank services to LMI people would likely decline.

• **Focus Must Remain on Low- and Moderate-Income Individuals and Neighborhoods** – Some have proposed expanding the range of activities that qualify on CRA exams to include financing initiatives that may have city-wide benefits but that are not necessarily focused on LMI individuals or neighborhoods. For example, providing favorable consideration to financing the construction of hospitals regardless of where they are located.6 No one disputes the necessity for these institutions but health facilities located in affluent parts of metropolitan areas do not significantly benefit LMI people. CRA must not be diluted to divert resources away from neighborhoods that were the original impetus for CRA.

---


6 For a discussion of the hospital example, see Rachel Witkowski, *Will CRA Finally Get its Makeover*, American Banker, March 9
• **Discrimination and Violations of Consumer Protection Law Must be Penalized on CRA Exams** – The OCC has issued a memo that dilutes the negative impact of discrimination and violation of consumer protection law on a bank’s CRA rating.\(^7\) Instead of being emulated by the other agencies, this approach must be rescinded. A bank is not serving credit needs in a satisfactory manner if it is engaging in illegal and harmful activities on a large scale, behavior which now results in ratings downgrades.

• **Bank Activity to People of Color and Communities of Color Must be Considered on CRA Exams** – Bank lending, investing, and service to people and communities of color must also be considered on CRA exams, which now only consider low- and moderate-income borrowers and communities. Communities of color were the original communities redlined when Congress passed CRA and remain disproportionately victimized by predatory lending and a lack of prime, conventional lending.\(^8\)

• **Banks Cannot Be Allowed to Merge after They Fail CRA Exams** – The OCC has also made it easier for banks with failed CRA ratings to grow through mergers with other financial institutions or acquiring branches.\(^9\) Since only about two percent of banks fail on an annual basis, these institutions are exceptionally poor CRA performers.\(^10\) Currently, the only penalty for a failed CRA grading is the possibility of denial of merger or branch applications; one of only a few sticks that motivate banks to pass their CRA exams. A presumption that applications will be denied for failed CRA performance must remain the regulatory practice.

• **Affiliate Activities Must be Considered** – A number of banks own mortgage companies that are included now on CRA exams only at the option of banks. This approach can lead to manipulation of CRA exams and the exclusion of mortgage companies when they engage in abusive practices or do not lend to LMI borrowers. Affiliates must be automatically considered in CRA exams. In addition, NCRC believes that CRA must be applied broadly throughout the financial industry to include mortgage companies, credit unions, insurance companies, securities firms, and investment banks. The broad expansion of CRA would require an act of Congress while these principles above are devoted to regulatory reform.

• **Refine CRA Ratings** – Only about 2 percent of banks fail their CRA exams annually while about 90 percent are judged to have Satisfactory performance and close to 10 percent are judged to have Outstanding performance. This rating system fails to identify banks with various levels of CRA performance. The agencies should either introduce another rating category to the current four ratings or supplement the ratings with a point scale that can reveal more distinctions in performance. This would be fairer for communities and reward banks outperforming their peers but whose performance is not reflected adequately in the ratings.

---


\(^10\) NCRC analysis of CRA ratings. The ratings can be found on the FFIEC webpage via [https://www.ffiec.gov/craratings/default.aspx](https://www.ffiec.gov/craratings/default.aspx)
Community Benefit Agreements Must be Recognized – Community benefit agreements (CBAs) are negotiated between banks and community groups and commit banks to specific levels of loans, investments, and services to low- and moderate-income and minority communities over a multiple year time period. Banks have signed CBAs in the context of merger applications or to improve lackluster CRA performance. The agencies must not discourage CBAs and should recognize them as a valuable means to improve CRA performance.

The Community Reinvestment Act is integral to increasing access to capital, credit and basic banking services in underserved communities. To combat rising inequality and placed-based disparities in economic opportunity, we need a vital CRA. Regulatory reform must invigorate CRA, not eviscerate it. We request a meeting with your offices to ensure that our perspectives are taken into account in this very important effort and look forward to continued dialogue with you regarding improving the rigor and implementation of CRA.

Sincerely,

National Community Reinvestment Coalition (NCRC)

National Groups

Allied Progress
AFL-CIO
Americans for Financial Reform
Center for Responsible Lending
Consumer Action
HomeFree USA, Inc.
Housing Assistance Council
The Leadership Conference on Civil and Human Rights
NAACP
National Alliance of Community Economic Development Association (NACEDA)
National Coalition for Asian Pacific American Community Development (CAPACD)
National NeighborWorks Association
National Trust Community Investment Corporation
National Trust for Historic Preservation
National Urban League
Prosperity Now
Public Citizen
The Democracy Collaborative
UnidosUS (Formerly NCLR)

**Alabama**

Alabama Association of Community Development
Building Alabama Reinvestment
Center for Fair Housing, Inc.
Community Action Association of Alabama
Fair Housing Center of Northern Alabama
MLK Avenue Redevelopment Corporation
National Business League of Alabama
Titusville Development Corp
Urban Impact, Inc.

**Arizona**

Arizona Housing Coalition
Behold Charities International
Chicanos Por La Causa
Junto Affordable Housing Inc.
Newtown Community Development Corporation
Prima County Community Advocate

Arkansas
Community Resources Technicians
People Trust

California
Access Plus Capital
American GI Forum
Azul MSI
Black Business Association
California Coalition for Rural Housing
California Community Economic Development Association
California FarmLink
California Housing Partnership
California Reinvestment Coalition
California Resources and Training
CashCommunityDevelopment.org
CCEDA
CDC Small Business Finance
Center for Urban Economics and Design
Chicana Latina Foundation
City of Livingston
Council of Asian Americans Business Associations CA
CRHCC
Democracy at Work Institute
EAH Housing
El Concilio of San Mateo County
Fathers and Families of San Joaquin
Haven Services
Housing Coalition Educators
IEWBC
Inland Empire Latino Coalition
Law Foundation of Silicon Valley
Montebello Housing Development Corporation
The National Cultural Center of the Native Americans
Neighborhood Housing Services of the Inland Empire
Northern Californian Community Loan Fund
OCCUR
Peoples’ Self-Help Housing
Robert Zdenek Associates- Connecting Communities
Rural Community Assistance Corporation
San Francisco African American Chamber of Commerce
Self-Help Enterprises
Tenderloin Neighborhood Development Corporation (TNDC)
The Central Valley Urban Institute
The Greenlining Institute
UCI Paul Merage School of Business
Vermont Slauson Economic Development Corporation

**Colorado**
Douglas County Housing Partnership
First Nations Oweesta Corporation
Mi Casa Resource Center

**Connecticut**
Concerned Black Clergy Council of Waterbury
Connecticut Citizen Action Group
Hartford Community Loan Fund
Neighborhood Housing Services of Waterbury
Women’s Institute for Housing & Economic Development
Yale University Program for Recovery and Community Health

**District of Columbia**
Advocates for Elder Justice, Hilda & Charles Mason Charitable Foundation, Inc.
Anacostia Economic Development Corporation
Central American Resource Center (CARECEN)
Housing Up
Latino Economic Development Center
Laura Zam Enterprises
MANNA, Inc.
National Association of American Veterans, Inc.
Network for Developing Conscious Communities
Partners for Livable Communities
Romijen Wellness

**Delaware**

Be Ready Community Development Corporation
CCHS
Central Baptist Community Development Corporation
Delaware Community Reinvestment Action Council, Inc.
Edgemoor Revitalization Cooperative, Inc.
Ellendale Community Civic Improvement Association
Habitat for Humanity of New Castle County
Housing Alliance Delaware
National Council on Agricultural Life & Labor Research Fund, Inc. (NCALL)
Nehemiah Gateway Community Development Corp.
Neighborhood House, Inc.
University of Delaware

**Florida**

Affordable Homeownership Foundation Inc.
BBIF Florida
Bright Community Trust
CDC of Tampa
CEGTBA, Inc.
Clearwater Neighborhood Housing Services Incorporated
Community Reinvestment Alliance of South Florida
Consolidated Credit Solutions, Inc.
Debt Management Credit Counseling
FL Alliance of Community Development Corporations
Florida Housing Coalition
Fusilier Realty Group
Future Leaders Community Development Corporation
H.O.M.E.S., Inc.
Haitian American Community Development Corporation
Home Ownership Resource Center of Lee County, Inc.
Housing and Education Alliance
Lee County Housing Development Corp.
Metro North Community Development Corp.
Mezrah Consulting
Miami Beach CDC
Neighborhood Housing Services of South Florida
Neighborhood Renaissance, Inc.
New Urban Development
Real Estate Education And Community Housing Inc.
REVA Development Corporation
Solita’s House Inc.
South Florida CLT
St. Petersburg Neighborhood Housing Services, Inc. (dba Neighborhood Home Solutions)
Struggle for Miami’s Affordable and Sustainable Housing, Inc.

Trinity Empowerment Consortium

Urban Philanthropies

We Help Communities to Develop Corporation

Wealth Watchers Inc.

**Georgia**

CCCS of the Savannah Area, Inc.

Community Outreach Training Center, Inc.

D&E, The Power Group

Georgia Advancing Communities Together, Inc.

Housing Justice League

JCVision and Associates, Inc.

National Housing Counseling Agency

Southwest Georgia United Empowerment Zone, Inc.

**Hawaii**

Council for Native Hawaiian Advancement

Hawai‘i Alliance for Community-Based Economic Development

Hawaiian Community Assets

**Illinois**

Chicago Community Loan Fund

Chicago Urban League
Economic Growth Corp.
Global Network
Heartland Alliance for Human Needs and Human Rights
Housing Action Illinois
IFF
Institute of Cultural Affairs [ICA]-USA
NHS of Chicago
Northwest Side Housing Center
Oak Park Regional Housing Center
Open Communities
Partners in Community Building, Inc.
Spanish Coalition for Housing
Universal Housing Solutions CDC
Woodstock Institute
NHS of Chicago

Indiana

Community Investment Fund of Indiana
Fay Biccard Glick Neighborhood Center at Crooked Creek
Gary Economic Development Corporation
HomesteadCS
HOPE of Evansville, Inc.
Irvington Development Organization
John Boner Neighborhood Centers
LaCasa, Inc.

Mapleton Fall Creek Development Corporation

Martin University

Martindale Brightwood Community Development Corporation

Memorial CDC

Northwest Indiana Reinvestment Alliance

NSP Consultants, LLC

Pathfinder Services, Inc.

Prosperity Indiana

Westside Community Development Corporation

**Iowa**

River Cities Development Services

Scott County Housing Council

**Kentucky**

Louisville Affordable Housing Trust

REBOUND, Inc.

The Urban Coalition of Appraisal Professionals

**Louisiana**

Foundation for Louisiana

Greater New Orleans Housing Alliance

HousingNOLA
Kingsley House Inc.
LiftFund Inc.
Multi-Cultural Development Center
Neighborhood Development Foundation
New Day Homeowner Services
People’s Organization of Social Equality
Treme Market Branch
UMOJA Institute of African America Culture Trade and Economic Development Inc.

Massachusetts
BCC
Common Capital
Dorchester Bay Economic Development Corporation
Fair Housing Center of Greater Boston
Fenway Community Development Corporation
Lawrence CommunityWorks, Inc.
Local Enterprise Assistance Fund (LEAF)
Mass. Association of Community Development Corp.
Massachusetts Affordable Housing Alliance
Massachusetts Communities Action Network
NeighborWorks Southern Mass
Oak Hill CDC
Revitalize Community Development Corporation
Urban Edge
Maryland
Baltimore Community Lending, Inc.
Baltimore Neighborhoods, Inc.
CityLabs USA
Coppin Heights CDC
Greater Baltimore Community Housing Resource Board
Heritage United Church of Christ
Housing Options & Planning Enterprises, Inc.
Maryland Consumer Rights Coalition
Neighborhood Housing Services of Baltimore
People of Change Coalition
Southeast Community Development Corporation
The Historic Marble Hill Community Association

Maine
Coastal Enterprises, Inc.
Genesis Community Loan Fund
Quattrucci & Company

Michigan
Bridging Communities, INC.
Building Families First Community Organization
Building Movement Project/Detroit People’s Platform
CDAD
Community Economic Development Association of Michigan

Cooperative Capital

Detroit Homeownership Center CDC

Detroit Non-Profit Housing

Fair Housing Center of Metropolitan Detroit

Financial Justice Coalition

GenesisHOPE

Housing Resources, Inc.

Metro Community Development, Inc.

Michigan Community Action

Michigan Community Reinvestment Coalition

Mid Michigan Community Action Agency

Neighborhood Legal Services Michigan

Neighborhood Service Organization (NSO)

New Development Corporation

New Hope Community Development

Southwest Economic Solutions

Southwest Solutions

U SNAP BAC

Minnesota

Asian Economic Development Association

Community Reinvestment Fund, USA
Dayton’s Bluff Neighborhood Housing Services
Jewish Community Action
Mid-Minnesota Legal Aid
Voices for Racial Justice

Missouri

AltCap
Community Property Ventures
Consumers Council of Missouri
CREA
Forward Through Ferguson
International Institute Community Development Corporation
Justine Petersen
Metropolitan St. Louis Equal Housing and Opportunity Council
NHS of Kansas City, Inc.
Old North St. Louis Restoration Group
R.A.A.- Read, Aim, Advocate
Travois
Useful Community Development
Washington University School of Social Work

Mississippi

Breakthrough Community Services, Inc.
CFORM/CovenantCDC
Golden Triangle Housing Services
Housing Education and Economic Development
Mississippi Housing Partnership

Nebraska
Family Housing Advisory Services
Neighborworks Lincoln

New Mexico
Southwest Neighborhood Housing Services
United South Broadway Corporation

New York
Affordable Housing Partnership Homeownership Center
Albany Community Land Trust
Arbor Housing and Development
Association for Neighborhood and Housing Development (ANHD)
Beaulac Associates LLC
Bridge Street Development Corporation
Buffalo Niagara Community Reinvestment Coalition
Center for NYC Neighborhoods
Central Islip Civic Council
CNY Fair Housing, Inc.
Community Capital New York
Community Development Alliance of the Capital District
Community Loan Fund of the Capital Region, Inc.
Devotion NYC
Empire Justice Center
Fair Finance Watch
HomeSmartNY
Human Development Services of Westchester
La Fuerza Unida, Inc.
Long Island Housing Services, Inc
New Economy Project
New York State Senator James Sanders
New York State Wide Senior Action Council
NHP Foundation
PathStone Enterprise Center
Rockland Housing Action Coalition
Rural housing Opportunities Corp.
St. Nicks Alliance
TSC Grand, Ltd.
United Tenants of Albany, Inc.
White Wing Education Community
University Neighborhood Housing Program

New Hampshire
New Hampshire Community Loan Fund
New Jersey

Fair Housing Council
Jersey Counseling & Housing Development, Inc.
National Housing Institute
New Jersey Association on Correction
New Jersey Citizen Action
NJ NAACP
Urban League of Essex County

Nevada

Nevada Legal Services

North Carolina

Action NC
Centre for Homeownership & Economic Development Corporation
Circle of Mercy
Community Link
DHIC
Durham Regional Financial Center
EXCEED, Inc.
Henderson & Company
NC Housing Coalition
New Frontier CDC
North Carolina Housing Coalition
Rebuild Durham Inc.
S J Adams Consulting
The Institute of Minority Economic Development
White Oak Foundation Inc.

Ohio
Akron NAACP
Advocates for Basic Legal Equality
Akron Baptist Church
Another Chance Ohio
Antioch Baptist Church
Baptist Ministers Conference of Cincinnati
Breaking Chains Inc.
Buckeye Shaker Square Development Corp.
Burten, Bell, Carr Development, Inc.
Catholic Commission of Summit County
Central Ohio Fair Housing Association, Inc.
Charisma Community Connection
Cincinnati Change Inc.
Cincinnati Community Action Agency
City of Bedford Heights
City of Cleveland Heights, Ohio
City of Cleveland- Dept. of Community Development
City of Dayton Human Relations Council
City of South Euclid
CityWide Development Corporation
Cleveland Neighborhood Progress
Collective Empowerment Group
Communities United for Action
Community Action Agency of Cincinnati-Hamilton County
Community Development Corporations Association of Greater Cincinnati
Community Development for All People
Community Housing Solutions
Community Matters
County Corp
Detroit Shoreway Community Development Org.
ECDI
Economic and Community Development Institute
Education Motivation Success, Inc.
Empowering and Strengthening Ohio’s People (ESOP)
Fair Housing Center
Fair Housing Contact Service
Fair Housing Resource Center, Inc.
Faith Community Alliance of Greater Cincinnati
Famicos Foundation
Federation of Network Ministries
Friends of the African Union Chamber of Commerce
Greater Cincinnati Microenterprise Initiative (GCMI)
Greater Cleveland Reinvestment Coalition
Greater Dayton Minority Business Assistance Center
Habitat for Humanity of Greater Dayton
Hamilton County Community Reinvestment Group
Harrison Township
Heart to Heart Family Support Center
Helping Hands Community Outreach
Home Repair Resource Center
Homes on the Hill, CDC
Isonomy Consulting
Jerry Sykes, Toledo City Councilman
JOVIS
J-RAB
L.A. Keyz Financial Services
Madisonville Community Urban Redevelopment Corporation
Metro West Community Development Organization
Miami Valley Fair Housing Center, Inc.
Miami Valley Urban League
Mustard Deed Development Center
Nazareth Housing Dev. Corp.
Neighborhood Housing Services of Greater Cleveland
 NeighborWorks Collaborative of Ohio
Ohio CDC Association
Ohio Fair Lending
Omega Community Corporation
One South Euclid
Peter Ujvagi, Toledo City Council Member
Rebuilding Together Dayton
Slavic Village Development
Small Business Development Center at TEC
The Fair Housing Center
The Pride Through Empowerment Foundation, Inc.
Village Capital Corporation
Working in Neighborhoods
YWCA Dayton

**Oklahoma**
Mvskoke Loan Fund

**Oregon**
CASA of Oregon
Community Development Corporation of Oregon
Community Housing Fund
Grounded Solutions Network
Kate Allen Community Development Services
ONABEN
Redix Consulting Group, LLC
REACH Community Development

**Pennsylvania**

Allentown Housing Authority

Amani

Center for Family Services, Inc.

Clarifi

Community Action Committee of the Lehigh Valley, Inc.

Community First Fund

Community Neighbors United

Five/Four Advisors

Hilltop Alliance

Lancaster Equity CDC

Neighborhood Housing Services of Greater Berks, Inc.

Oakland Planning and Development Corporation

Philadelphia Association of Community Development

Philadelphia Chinatown Development Corporation

Pittsburgh Community Reinvestment Group

Southwest Community Development Corporation

United Communities Southeast Philadelphia

Uptown Partners of Pittsburgh

ASSETS

**Rhode Island**
Capital Good Fund
Church Community Housing Corporation
Housing Network of Rhode Island
HousingWorks RI
NeighborWorks Blackstone River Valley

South Dakota
GROW South Dakota

South Carolina
Greenville County Redevelopment Authority

Tennessee
BLDG Memphis
Chattanooga Organized for Action
Good Neighbor Foundation HomeOwnership Center
Latino Memphis
Lincoln Park Neighborhood Association
Memphis Urban League
New Level Community Development Corp
Tennessee Fair Housing Council
The Fifteenth Avenue Baptist CDC
You Can Make It HomeOwnership Center
Texas
BCL of Texas
Covenant Community Capital
Haelingen CDC
Home Sweet Home Community Redevelopment
Housing Channel
Humanitas Community Development Corporation
Jefferson Community Housing Development Foundation, Inc.
Our Casas Resident Council INC.
Pine Place Development, LLC
Southeast Houston CDC

Utah
Jon M. Huntsman School of Business at Utah State University
Neighborhood Nonprofit Housing Corporation

Vermont
Fair Housing Project, CVOEO
Housing Vermont

Virginia
Community Business Partnership
Emerging Financial Concepts
Housing Opportunities Made Equal of Virginia
SCDHC
Southside Community Development and Housing Corporation

Washington
Beacon Development Group
Greenfield Institute
Northwest Fair Housing Alliance

Wisconsin
Citizen Action of Wisconsin
Forward Community Investments
Havenwoods Economic Development Corp
Inner City Redevelopment Corp.
Metropolitan Milwaukee Fair Housing Council
NeighborWorks Green Bay
Nothing Less, Inc.
Riverworks Development Corporation
Urban Economic Development Association of Wisconsin, Inc.
Wisconsin Partnership for Housing Development

Cc: Senate Banking and HFSC leadership