October 29, 2021

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Washington, DC 20219

Re: Docket ID OCC-2021-0014 (Community Reinvestment Act Regulations)

To Whom It May Concern:

The undersigned organizations write in support of the Office of the Comptroller of the Currency's ("OCC") proposal to rescind the Community Reinvestment Act ("CRA") rule issued in June 2020.[1]

This decision is responsive to the resounding calls from stakeholders who opposed the June 2020 rule, given its dilution of a critical policy tool for driving capital into historically underinvested communities. Especially in light of ongoing challenges such as the COVID-19 pandemic and ensuing economic downturn, systemic racism and the climate crisis, which continue to disproportionately harm lower-income and communities of color, the negative impacts of the 2020 rule left to stand would be profound.

The promulgation of the June 2020 rule independently of the Federal Deposit Insurance Corporation ("FDIC") and Board of Governors of the Federal Reserve System ("Federal Reserve") further served to cause confusion among stakeholders and threatened to create complex burdens for communities, investors and banking institutions forced to navigate divergent standards. We applaud the OCC for its leadership in this regard and for laying the groundwork for a modernized regulatory framework that is in alignment with its peer regulating agencies.

The signatories of this letter represent businesses, investors, nonprofits and community lenders, all of whom are dedicated to achieving inclusive and equitable economic growth. In particular, we support public and private sector action that will lead to the creation of generational wealth and opportunities in Black, Brown, Tribal, rural and otherwise underserved communities. The CRA is core to that vision, as the bedrock of the broader community development finance ecosystem that catalyzes private sector investments in small businesses, affordable housing and local economic development.

The law, which traces its origins back to the need to combat the racist redlining practices of banks, has led to over $1 trillion in community development loans benefiting low- and moderate-income ("LMI") communities[2] and has helped give rise to an industry of community development financial institutions ("CDFI") and minority depository institutions ("MDI"), mission-oriented community lenders to the most underserved areas. Lastly, impact investors – including those represented in the undersigned organizations who pursue positive and measurable social, economic or environmental outcomes

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[1] OCC, RIN-1557-AE34

[2] Josh Silver, National Community Reinvestment Coalition, "An evaluation of assessment areas and community development financing: Implications for CRA reform," July 2019

alongside financial return – often invest alongside CRA-motivated institutions. As such, the CRA market lends a stable backbone for those place-based investments.

While the 2020 rule was rushed through without the support of the broader community development finance ecosystem – or without careful consideration of their significant concerns – the OCC, FDIC and Federal Reserve now have the chance to significantly advance what has been an ongoing conversation about CRA modernization. The ANPR released by the Federal Reserve in October 2020[3] provides a more effective framework for that conversation.

We believe it is vital that the CRA be modernized to account for changes in the financial services sector and strengthened to support its core purpose of flowing capital to underserved communities. In particular, as the three regulating agencies work together to present a modernized framework, we strongly urge policymakers to consider the following:

- **CRA reform should take into account racial inequality.** At a minimum, reform should acknowledge the historical imperative of the CRA to address racial inequality in access to credit and the lasting impact redlining has had on communities.

- **CRA reform should catalyze robust investments in community lenders and small business ecosystems.** Priority should be given to ensuring that the CRA is effectively flowing capital to CDFIs and MDIs that serve small businesses. This includes added incentives to support entrepreneurial ecosystem building such as through funding for Women's Business Centers, Small Business Development Centers and Minority Business Development Agencies.

- **CRA reform should reflect developments in the modern lending market.** Expanding the CRA's coverage to include credit unions, mortgage lenders, insurance companies and other non-bank financial companies should be considered as well. While perhaps outside the remit of the three agencies, regulators should keep these considerations in mind as they advance an updated framework.

Once again, the undersigned organizations applaud the OCC for taking this important first step in protecting and strengthening a policy that is essential for ensuring that banks meet the needs of their communities. Thank you for the opportunity to provide comment, and we look forward to engaging with regulators throughout the rulemaking process.

Sincerely,

American Sustainable Business Council (ASBC)
B Lab US & Canada
Better Markets
Brattleboro Savings & Loan
Capital Plus Financial
Center for Community Investment (CCI)
Change Finance
City First Bank, N.A.
CNote Group Inc
Coalition for Inclusive Capitalism
Community Development Venture Capital Alliance (CDVCA)
Confluence Philanthropy
Florida For Good
Impact Capital Managers
Imperative 21
Intentional Endowments Network (IEN)

[3] 85 FR 66410

Interfaith Center on Corporate Responsibility (ICCR)
Legacy Vacation Resorts
Lincoln Institute of Land Policy
National Community Investment Fund (NCIF)
National Energy Improvement Fund, LLC
Pacific Community Ventures
PolicyLink
The Predistribution Initiative
Salt Palm Development
Social Finance
Southern Bancorp, Inc.
Sunrise Banks
Toniic Institute
U.S. Impact Investing Alliance