

PRRAC

Poverty & Race Research Action Council

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November 19, 2018

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Re: Docket ID OCC-2018-0008, “Reforming the Community Reinvestment Act Regulatory Framework”

To Whom It May Concern:

The Poverty and Race Research Action Council (PRRAC) is a civil rights law and policy organization dedicated to promoting research-based strategies to address structural racial inequality and change systems that disadvantage low-income people of color. Much of PRRAC’s work focuses on fair housing, with a particular emphasis on developing policies to overcome the effects of segregation. PRRAC appreciates this opportunity to comment on the Office of the Comptroller of the Currency’s (OCC’s) Advance Notice of Proposed Rulemaking (ANPR) regarding the Community Reinvestment Act (CRA).

We write to oppose changes that would damage the CRA, which is a vitally important piece of legislation. Since its enactment, the CRA has helped spur significant amounts of bank lending and investment for low and moderate-income communities, in keeping with its purpose of addressing the legacy of redlining and disinvestment.

The OCC is currently proposing regulatory changes that would undermine the effectiveness of the CRA and make financial institutions less accountable. For example, proposed reforms would make the CRA examination framework less rigorous, by automatically qualifying certain activities for CRA credit and measuring compliance based on a ratio of the volume of qualified activities to overall financial services. Other proposed changes would impair how CRA regulations govern transparency and consistency in how financial institutions report and disclose their activities. We oppose any efforts that would weaken CRA compliance.

In addition, we write to raise the importance of the civil rights obligations that should inform CRA interpretation, oversight, and related activities. In particular, the Fair Housing Act requires that all federal agencies administer their programs and activities relating to housing and urban development “affirmatively to further” fair housing (AFFH), 42 USC § 3608(d), that is, to advance nondiscrimination and residential integration. However, although the CRA contributes to significant *investments* in affordable housing, it currently lacks a framework to “affirmatively

further” fair housing. The CRA’s regulatory scheme, in particular those provisions encouraging investment in affordable multifamily rental housing, should better account for the current concentration of such housing in disinvested, high-poverty areas, and encourage the siting of affordable housing outside of areas of concentrated poverty in order to enable greater housing choice. Instead of the potential changes raised in the current ANPR, we urge federal regulators to take appropriate steps both to maintain and strengthen CRA accountability, and also to advance other important civil rights statutes, including the Fair Housing Act. At this critical time, we must stand for enhancing fair housing protections, rather than weakening them.

Sincerely,

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