



To: Heidi Thomas, Special Counsel, Bank Advisory

Thru: Roger Tufts, Director, Policy Analysis Division

From: Karen Furst and Maria Gloria Cobas, Policy Analysis Division

Date: May 20, 2020

Subject: Final Revisions to Community Reinvestment Act Regulations

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The Office of the Comptroller of the Currency (OCC) is issuing a final rule that will amend the Community Reinvestment Act (CRA) regulations. The final rule will subject national banks and savings associations (collectively, banks), except for certain special purpose banks and certain federal branches, to expanded qualifying activities criteria, expanded assessment areas, a new CRA evaluation method, and new data collection, recordkeeping, and reporting requirements. The final rule will provide an exemption for banks with assets of \$2.5 billion or less (in four of the previous five quarters) from the new CRA evaluation method and most of the new data collection, recordkeeping, and reporting requirements.

As you requested, we have assessed the impact of the final rule to determine if, pursuant to the Regulatory Flexibility Act (RFA), the rule will have a significant economic impact on a substantial number of small entities. In addition, consistent with the Unfunded Mandates Reform Act of 1995 (UMRA), our review considers whether mandates imposed by the final rule may result in an expenditure of \$157 million or more annually by state, local, and tribal governments or by the private sector.<sup>1</sup> Our review also considers whether the rule qualifies as a major rule under the Congressional Review Act.

## **Conclusion**

Because we estimate that the cost will range from approximately \$655 million to approximately \$961 million, we believe the final rule will result in an expenditure of \$157 million or more annually by state, local, and tribal governments or by the private sector. In addition, we believe the final rule will have a significant economic impact on a substantial number of OCC-supervised small entities. We also believe the final rule is a major rule under the Congressional Review Act.

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<sup>1</sup> We estimate the UMRA inflation adjustment using the change in the annual U.S. GDP Implicit Price Deflator between 1995 and 2019, which is the most recent available annual data (source: FRED data from <https://fred.stlouisfed.org>). The deflator was 71.865 in 1995, and 112.831 in 2019, resulting in an inflation adjustment factor of 1.57 ( $112.831/71.865 = 1.57$ , and  $\$100 \text{ million} \times 1.57 = \$157 \text{ million}$ ).

## Background

The Community Reinvestment Act of 1977 (CRA) requires the agencies charged with implementing the statute—Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), and Board of Governors of the Federal Reserve System (Federal Reserve) (collectively, the federal banking agencies)—to assess an insured depository institution’s record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with safe and sound operations.<sup>2</sup> The CRA also requires the federal banking agencies to take a bank’s CRA performance record into account when evaluating applications, such as those for new deposit facilities and mergers. The CRA applies to nearly all banks supervised by the OCC; we refer to those within the scope of the regulation as “covered banks.”

Subsequent to the CRA’s enactment in 1977, the federal banking agencies have issued, revised, and sought to clarify the CRA regulations numerous times, with the last major revisions being in 1995. Some changes were made in response to statutory amendments, such as the removal of interstate branching restrictions. Other changes were made to address concerns that the regulations were unduly complex, ambiguous, and burdensome.

In 2014, the federal banking agencies conducted a decennial review of their regulations, with input from the public, to identify outdated, unnecessary, or unduly burdensome regulations and consider how to reduce regulatory burden on insured depository institutions while ensuring the safety and soundness of these institutions.<sup>3</sup> Upon completion of that review, these agencies issued a report to Congress on March 17, 2017, that included comments and recommendations to improve the CRA regulatory framework.<sup>4</sup>

In June 2017, the U.S. Department of the Treasury submitted a report to the President, in which the Treasury committed to assessing how the CRA regulatory framework could be improved and modernized by soliciting input from stakeholders including banks, regulators, and consumer and community advocates.<sup>5</sup> On April 3, 2018, the U.S. Department of the Treasury released recommendations based on stakeholder input to modernize the CRA regulations. Recommendations included updating the definition of assessment areas,

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<sup>2</sup> Since its enactment, Congress has amended the CRA statute to require written public evaluations at the bank level and at the state or multistate metropolitan statistical area level for banks with deposit-taking facilities (1) in more than one state, or (2) in two or more states within a multistate metropolitan statistical area.

<sup>3</sup> Over 60 commenters discussed the CRA during the 2014 decennial review process. The commenters addressed a variety of issues related to regulatory burden, but many also addressed broader issues related to modernizing the CRA regulations and related guidance. Among the most frequently raised issues were: (1) the assessment area definition; (2) incentives for banks to serve LMI, unbanked, underbanked, and rural communities; (3) regulatory burdens associated with record keeping, reporting requirements, and asset thresholds for the various CRA examination methods; (4) the need for clarity regarding performance measures and better examiner training to ensure consistency and rigor in examinations; and (5) refinement of CRA ratings methodology.

<sup>4</sup> See Joint Report to Congress. Federal Financial Institutions Examination Council ([https://www.ffiec.gov/pdf/2017\\_FFIEC\\_EGRPA\\_Joint-Report\\_to\\_Congress.pdf](https://www.ffiec.gov/pdf/2017_FFIEC_EGRPA_Joint-Report_to_Congress.pdf)). March 2017. pp 41-49.

<sup>5</sup> See “A Financial System that Creates Economic Opportunities, Banks and Credit Unions.” U.S. Department of the Treasury (<https://www.treasury.gov/press-center/press-releases/Documents/A%20Financial%20System.pdf>). June 12, 2017.

increasing clarity and transparency of CRA ratings, improving the timeliness of evaluations, and incorporating more effective incentives to encourage banks to meet the credit and deposit needs of their communities.<sup>6</sup>

Further, the OCC, along with the Board and the FDIC, developed an Advance Notice of Proposed Rulemaking requesting comment on the CRA framework, which the OCC issued in August 2018 and which received more than 1,500 comments.<sup>1</sup> During the last two years, the OCC, FDIC, and Board also have engaged with stakeholders, including civil rights organizations, community groups, members of Congress, academics, and banks, to obtain their perspectives and feedback on all aspects of the CRA and potential improvements that could be made to the CRA regulatory framework. In January 2020, the OCC and FDIC issued the notice of proposed rulemaking for this final rule, which received more than 7,500 comments.

Under the existing rule, only certain bank activities qualify for consideration in CRA performance evaluations. Whether a bank's activities qualify for consideration generally depends not only on the characteristics of the activities but also on where the activities take place. The types of activities that currently qualify for CRA consideration fall into two general categories: (1) retail banking, and (2) community development (CD).

#### ***Existing evaluation methods***

The OCC has implemented the CRA through regulations that establish different evaluation methods for banks of different asset sizes and business strategies. Large banks (those with assets of \$1.284 billion or more in 2019) are evaluated using lending, investment, and service tests. The lending test generally involves an analysis of a bank's home mortgage, small business, and small farm lending. In some circumstances, the OCC may also evaluate consumer lending. The OCC evaluates small banks (assets under \$1.284 billion in 2019) using a streamlined lending test, which includes an evaluation of lending based on the bank's major product lines. In addition to the lending test, intermediate small banks (banks with assets of at least \$321 million but less than \$1.284 billion in 2019) also are subject to a CD test. Additionally, small banks are exempt from the reporting and recordkeeping requirements. Wholesale<sup>7</sup> and limited purpose<sup>8</sup> banks are evaluated using a CD test. Finally, any bank may choose to be evaluated based on an OCC-approved strategic plan that sets forth performance goals that have been developed with community input.

#### **Stated purpose of regulatory action**

The supplemental information indicates that the purpose of the final rule is to modernize the CRA and make the regulatory framework more objective, fair, transparent, consistent, and easy to understand. In addition, the final rule's qualifying activities criteria will expand the types of activities that qualify for CRA credit.

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<sup>6</sup> See "Community Reinvestment Act - Findings and Recommendations." U.S. Department of the Treasury (<https://home.treasury.gov/sites/default/files/2018-04/4-3-18%20CRA%20memo.pdf>). April 3, 2018.

<sup>7</sup> A bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers.

<sup>8</sup> A bank that offers only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market.

## **The final rule**

The final rule will: (1) clarify and expand the types of activities that qualify for CRA credit by (a) providing clearly defined criteria for qualifying activities, (b) publishing an illustrative list of examples of qualifying activities that will include opportunities for periodic community input, and (c) adopting a process for seeking agency confirmation that an activity is consistent with the criteria; (2) expand the areas in which qualifying activities receive credit (recognizing both the need to (a) maintain the link between assessment area(s) and local communities and (b) not to inhibit banks' ability to serve their customers more broadly through advances in technology and with less reliance on physical branch locations; (3) provide an objective CRA evaluation method for banks with assets of above \$2.5 billion and for small and intermediate banks that opt-in; and (4) revise data collection, record keeping, and reporting requirements.

### ***Small and intermediate bank exemptions***

The final rule will exempt banks with assets of \$2.5 billion or less (adjusted yearly for inflation) in four of the previous five quarters from the new CRA evaluation method and most of the new requirements for data collection, recordkeeping, and reporting. The final rule divides these banks into small banks (with assets of \$600 million or less in four of the previous five quarters) and intermediate banks (with assets between the small banks threshold and \$2.5 billion or less in four of the previous five quarters). These banks will have the choice to opt-in to the new standard. However, these small banks and intermediate banks will have to comply with the current CRA small bank and intermediate small bank performance standards, respectively, and the new qualifying activities criteria, assessment area delineation requirements, and data collection and recordkeeping requirements related to deposits.

### **Impact on OCC-supervised institutions**

The OCC currently supervises 1,174 institutions (commercial banks, trust companies, federal savings associations, and branches or agencies of foreign banks).<sup>9</sup> We believe the final rule will impact approximately 1,044 of these institutions.

To estimate the expenditures associated with the final rule, we review the costs associated with the mandates in the final rule. These include an estimate of the total time required to implement the final rule's mandates and the estimated hourly wage of bank employees who may be responsible for the tasks associated with achieving compliance with the final rule. For our cost estimates, we use a compensation rate of \$114 per hour.<sup>10</sup>

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<sup>9</sup> Based on FINDRS data accessed on May 14, 2020.

<sup>10</sup> To estimate wages we reviewed May 2018 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities excluding non-depository credit intermediaries (NAICS 5220A1). To estimate compensation costs associated with the rule, we use \$114 per hour, which is based on the average of the 90th percentile for nine occupations adjusted for inflation (2.8 percent as of Q1 2019 according to the BLS), plus an additional 33.2 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2018 for NAICS 522: credit intermediation and related activities).

### ***Deposit-based assessment areas***

The final rule requires banks that receive more than fifty percent of their retail domestic deposits from outside their facilities-based assessment areas to delineate separate deposit-based assessment areas. In order to implement this requirement, all banks, including small and intermediate banks that do not opt-in to the final rule's new performance standards, will need to collect data on the physical address of each of their depositors, and update that information quarterly.

Commenters noted that although the current regulation's facilities-only approach may limit where a bank may receive credit for qualifying activity, using deposits to delineate assessment areas will impose a significant burden on most banks. One commenter noted that the process of collecting this data would be costly for all banks, but the burden would significantly and disproportionately affect community banks.<sup>11</sup> The lack of available data makes the industry-wide effects of this requirement difficult to estimate.

When we evaluated how the proposed rule would impact OCC-supervised banks, we concluded that the burden associated with the requirements to collect data on the physical addresses of depositors would be minimal because obtaining a physical or street address has traditionally been a part of banks' account opening procedures.<sup>12</sup> Numerous commenters asserted that this is not the case. While not able to assess the underlying validity of commenters' assertions, we accepted the assertions for purposes of estimating the impact of the final rule. Based on this approach, we attribute approximately \$318 million dollars to compliance with the final rule's deposit-based assessment area requirements.

### ***Small bank and intermediate bank performance standards***

The final small bank performance standards apply to banks with assets of \$600 million or less in four of the previous five quarters that are not evaluated as a wholesale or limited purpose bank or under an approved strategic plan and that do not elect to opt-in to the general performance standards. The final intermediate bank performance standards apply to banks with assets between the small bank threshold and \$2.5 billion in four of the previous five quarters that are not evaluated as a wholesale or limited purpose bank or under an approved strategic plan and that do not elect to opt-in to the general performance standards. The small bank and intermediate bank performance standards will generally allow banks to be evaluated under the existing performance standards for small banks and intermediate small banks, respectively. However, under the final rule, small and intermediate banks will have to

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<sup>11</sup> Independent Community Bankers of America, page 11 (April 8, 2020).

<sup>12</sup> To develop these estimates, we consulted with OCC subject matter experts who provided their best estimates based on their professional experience in the field. We relied on the estimates from these experts. Some of these subject matter experts did not agree with the estimates that formed the basis of our analysis. There remains considerable uncertainty regarding these burden estimates.

comply with the new qualifying activities criteria, assessment area delineation requirements, and data collection and recordkeeping requirements related to deposits.<sup>13</sup>

The table below summarizes the total estimated cost in the first year with and without small and intermediate banks opting in.

**Table 1: Cost estimates by performance standard and size  
(Dollars in thousands)**

Size category	Banks	Average hours	Total hours	Cost (year 1)
Assets greater than \$85 billion <sup>14</sup>	20	52,640	1,052,800	\$120,019
Assets greater than \$10 billion but less than \$85 billion <sup>15</sup>	39	26,320	1,026,480	117,019
Assets greater than \$2.5 billion in two or more of the previous five quarters but less than \$10 billion in Q4 2019.	39	13,160	513,240	58,509
Wholesale, limited purpose, or strategic plan banks	23	3,280	75,440	8,600
<b>Sub-total without small or intermediate banks (a)</b>	<b>121</b>		<b>2,667,960</b>	<b>\$304,147</b>
Small and intermediate banks (i.e., assets of \$2.5 billion or less in four of the previous five quarters) none opting in (b)	923	3,332	3,075,436	350,600
Small and intermediate banks (i.e., assets of \$2.5 billion or less in four of the previous five quarters) all opting in (c)	923	6,240	5,759,520	656,585
<b>Total estimated cost (year 1) with no small or intermediate banks opting in (a + b)</b>	<b>1,044</b>		<b>5,743,396</b>	<b>\$654,747</b>
<b>Total estimated cost (year 1) with all small and intermediate banks opting in (a + c)</b>	<b>1,044</b>		<b>8,427,480</b>	<b>\$960,733</b>

***Increased data collection and reporting requirements for covered banks under the general performance standards***

The final rule will require covered banks evaluated under the general performance standards to collect and maintain data for each qualifying loan or community development investment held on the bank's balance sheet, and for originated or purchased loans. In addition, the final rule will require a bank to collect and retain information on the CD services and monetary and in-kind donations that the bank provides until the completion of its next CRA evaluation.

<sup>13</sup> A small or intermediate bank evaluated under the small and intermediate bank performance standards in §25.14 must collect and maintain data on the value of each retail domestic deposit account and the physical address of each depositor as of the close of business on the last day of each quarter.

<sup>14</sup> Lead banks with four-quarter average of total consolidated assets greater than \$85 billion.

<sup>15</sup> This category includes one non-lead bank with four-quarter average of total consolidated assets greater than \$85 billion.

For each qualifying activity, among other things, a bank will have to collect and maintain the dollar value of the activity, the activity location, and documentation demonstrating how the activity satisfies the qualifying activities criteria set forth in the final rule and whether the activity serves a particular assessment area. Banks evaluated under the general performance standards will have to collect and report the total number of home mortgage loans, small loans to businesses, small loans to farms, and consumer loans originated at the county or county-equivalent level; the number of home mortgage and consumer loans originated to low- and moderate-income borrowers; and the number of small loans to businesses and small loans to farms originated to CRA-eligible businesses and farms, respectively. Additionally, all banks (including banks that will not be evaluated using the general performance standards) will have to collect and maintain records that include the value of each domestic retail deposit account and the physical address of each depositor as of the last business day of each quarter.

Although wholesale and limited purpose banks will be exempt from data collection, recordkeeping, and reporting requirements related to retail loans, general performance standards, and presumptive ratings, they will have to collect and maintain the value of their CD loans, CD investments, and CD services. They will not, however, be required to report the value of their CD services. The data collection, recordkeeping, and reporting requirements for wholesale and limited purpose banks are otherwise similar to those applicable to banks evaluated under the general performance standards.

Banks evaluated under a strategic plan will have to comply with the same data collection, recordkeeping, and reporting requirements as banks evaluated under the general performance standards unless otherwise determined in writing by the OCC.

### ***New components in the general performance standards***

The new general performance standards will assess two fundamental components of a bank's CRA performance: (1) the distribution (i.e., number) of qualifying retail loans to LMI individuals, CRA-eligible farms, CRA-eligible businesses, and LMI tracts; and (2) the volume of a bank's qualifying activities, measured by the value of a bank's qualifying activities relative to its domestic retail deposits. Both components will be compared to specific benchmarks and thresholds that will be established prior to the beginning of a bank's evaluation period. Banks evaluated under the general performance standards will also be required to meet a minimum CD lending and investment requirement in each assessment area and at the bank level in order to achieve a satisfactory or outstanding rating.

### **UMRA**

Consistent with the UMRA, our review considers whether the mandates imposed by the final rule may result in an expenditure of \$100 million or more by state, local, and tribal governments, or by the private sector, in any one year, adjusted annually for inflation (currently \$157 million). We estimate that the expenditure during the first 12-month period following the final rule's effective date will range from approximately \$655 million to approximately \$961 million. Therefore, we conclude that the rule will result in an expenditure of \$157 million or more annually by state, local, and tribal governments, or by the private sector.

### ***Comparison with the baseline***

The baseline represents “the way the world will look absent the [regulatory] action.”<sup>16</sup> We use a zero-cost baseline that represents compliance with the existing CRA regulatory requirements (i.e., the total estimated and UMRA costs reflect the amount above the baseline).

### ***Comparison with alternative***

When an agency is proposing a rule with requirements that may impose significant costs relative to the current standard, the agency should examine the benefits and costs of one or more reasonable alternatives.<sup>17</sup> Because the final rule imposes new data collection, recordkeeping, and reporting requirements related to identifying if a bank will have any new deposit-based assessment areas, we consider an alternative without these new data collection, recordkeeping, and reporting requirements related to identifying if a bank will have any new deposit-based assessment areas. Under this alternative, we estimate that banks’ first-year compliance costs will be approximately \$337 million, or approximately \$318 million less than our estimate for compliance costs under the final rule (with no small or intermediate banks opting in).

### ***Potential Benefits***

Although difficult to quantify with a dollar estimate, the final rule would benefit banks by: clarifying and expanding the bank lending, investment, and service activities (collectively, qualifying activities or CRA activities) that qualify for positive CRA consideration; and, (2) providing additional methods for evaluating CRA performance in a consistent and objective manner. The final rule also has the potential to provide social benefits to the extent that it incentivizes new CRA activity that will not occur absent the final rule.<sup>18</sup>

### **RFA**

As part of our analysis, pursuant to the RFA, we consider whether the final rule will have a significant economic impact on a substantial number of small entities. The OCC currently supervises approximately 745 small entities.<sup>19</sup> We estimate that the final rule will impact approximately 708 of these small entities. Among these 708 small entities, six are limited

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<sup>16</sup> See OMB Circular A-4, page 15.

<sup>17</sup> Estimated expenditures are the focus of the UMRA and RFA analyses. We incorporate estimated benefits into the analysis of the final rule to satisfy Congressional Review Act requirements, which apply to final rules only.

<sup>18</sup> See Robert B. Avery, Raphael W. Bostic, and Glenn B. Canner, “Assessing the Necessity and Efficiency of the Community Reinvestment Act,” *Housing Policy Debate*, Vol. 16, No. 1, 2005, for a discussion of survey results suggesting that the CRA did lead a majority of surveyed institutions to engage in some CRA-qualifying activities that they would not have done absent the law.

<sup>19</sup> We base our estimate of the number of small entities on the SBA’s size thresholds for commercial banks and savings institutions, and trust companies, which are \$600 million and \$41.5 million, respectively. Consistent with the General Principles of Affiliation 13 CFR §121.103(a), we count the assets of affiliated financial institutions when determining if we should classify an OCC-supervised institution as a small entity. We use December 31, 2019, to determine size because a “financial institution’s assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” See footnote 8 of the U.S. Small Business Administration’s *Table of Size Standards*.



purpose banks, three are wholesale banks, and one is evaluated based on an OCC-approved strategic plan.

We estimate the annual cost for small entities to comply with the final rule's general performance standards will be approximately \$500 million ((698 banks × \$114 per hour × 6,240 hours per small bank) plus (10 banks × \$114 per hour × 3,240 hours per small bank)) if all small entities opt-in to or were otherwise subject to the general performance standards.<sup>20</sup>

In general, the OCC classifies the economic impact on an individual small entity as significant if the total estimated impact in one year is greater than 5 percent of the small entity's total annual salaries and benefits or greater than 2.5 percent of the small entity's total non-interest expense.

Based on these thresholds, we estimate the final rule's general performance standards will have a significant economic impact on 700 OCC-supervised small entities, which is a substantial number.<sup>21</sup>

We also test for significant economic impact using the assumption that all small entities that meet the small bank standards (i.e., have assets that do not exceed \$600 million in four of the last five quarters) do not elect to opt-in to the general performance standards. Based on this assumption, the final rule will have a significant economic impact on 663 OCC-supervised small entities, which is a substantial number.<sup>22</sup> We estimate the aggregate cost for these 663 small entities will be approximately \$236 million (663 banks × \$356,000 average cost per bank). Therefore, the final rule will have a significant economic impact on a substantial number of small entities.

#### ***Alternative to the final rule***

We consider an alternative where banks with assets that do not exceed \$600 million in four of the last five quarters do not have to determine their deposit-based assessment areas. Under this alternative, we estimate that, if all small entities that meet the small bank performance standards do not elect to opt-in to the general performance standards, this alternative will have a significant economic impact on 346 OCC-supervised small entities, which is a substantial number.<sup>23</sup>

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<sup>20</sup> For purposes of this analysis we assume that the 10 small entities that are currently being evaluated as a wholesale or limited purpose bank, or under an approved strategic plan, will continue to do so under the final rule.

<sup>21</sup> Among these 700 small banks the mean first-year cost estimate per bank is approximately \$709,000 and the median first-year cost estimate per bank is approximately \$711,000.

<sup>22</sup> Among these 663 small entities the mean first-year cost estimate per bank is approximately \$355,800 and the median first-year cost estimate per bank is approximately \$355,700.

<sup>23</sup> Among these 346 small entities the mean first-year cost estimate per bank is approximately \$118,800 and the median first-year cost estimate per bank is approximately \$118,600.

## **Congressional Review Act**

The Congressional Review Act defines a “major rule” as a rule that the Administrator of the Office of Management and Budget’s Office of Information and Regulatory Affairs (OIRA) finds has resulted in or is likely to result in:

1. An annual effect on the economy of \$100 million or more;
2. A major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies, or geographic regions; or
3. Significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic and export markets.

### *An annual effect on the economy of \$100 million or more*

We believe the impact of the final rule on OCC-supervised banks will range from approximately \$655 million per year to approximately \$961 million per year. Therefore, we expect the annual effect on the economy to be greater than \$100 million.

### *A major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies, or geographic regions*

Because of the highly competitive markets for banking and credit intermediation services, only a major increase in costs that applies to all banks, such as an increase in interest rates or deposit insurance fees, or requiring a specific product-related incremental cost (e.g., an appraisal) would be likely to result in a measurable increase in costs or prices. The substantial number of banks, thrifts, and savings associations currently operating in the United States creates a competitive environment, limiting the extent to which a subset of depository institutions could increase prices without losing customers. However, although we do not anticipate a major increase in costs or prices for consumers or businesses, we do believe that some banks will need to pass some or all of the additional costs attributable to the final rule through to their customers. Competitive pressures are likely to limit these increases, and therefore, we do not expect the final rule to result in a major increase in costs or prices for consumers or any other entities or geographic regions.

### *Significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic and export markets*

A significant adverse effect on competition, employment, or investment is more likely to occur when a rule specifically prohibits an activity, restricts access to a particular market, or significantly increases the production costs of certain institutions that provide the good or service. Because this final rule only applies to OCC-supervised banks, the absence of equivalence across the U.S. banking system does introduce the potential for an adverse effect on competition within the U.S. banking system (though we do not know which group might be relatively advantaged).

As discussed above, because we expect the annual effect on the economy to be greater than \$100 million and because the final rule may introduce significant adverse effects on

competition within the U.S. banking system, we believe the final rule is a major rule under the CRA.

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**Comments from State, Local, and Tribal Governments**  
Community Reinvestment Act Regulations (Docket ID OCC–2018–0008)

From 2014 through 2016, the OCC, along with the other Federal banking agencies, solicited feedback on the Community Reinvestment Act (CRA) regulation as part of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA) review.<sup>1</sup> State regulators from eight states (California, Illinois, Kansas, Massachusetts, Missouri, Texas, and Virginia) participated in the outreach meetings held as part of the EGRPRA process. The Comptroller or senior agency officials attended each of these outreach meetings. More recently, the Comptroller attended CRA community meetings in the following locations at which local and tribal elected officials were in attendance: Kewa Pueblo, New Mexico (August 29, 2019), San Felipe Pueblo, New Mexico (August 29, 2019), Santa Ana Pueblo, New Mexico (August 28, 2019), Atlanta, Georgia (August 9, 2019) and Memphis, TN (March 6, 2020). Lists of attendees at these community meetings are attached.

Numerous state and local government officials submitted written comments to the OCC on the proposed rule. OCC staff also received comments on the CRA proposal from state and local government officials through phone conversations held over the past year. These comments are summarized below. The issues and suggestions raised by these commenters, and the OCC's response to these issues and suggestions, are similar to those raised by non-governmental commenters, as addressed in the **SUPPLEMENTARY INFORMATION** section of the CRA final rule.

**Written Submissions**

Joint Comments from Attorneys General of 21 States (California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Vermont, Virginia, and Washington) and the District of Columbia)

The FRB's thorough study and data analysis, which did not find a consistent relationship between CRA ratings and a uniform comprehensive ratio that adds together all of a bank's CRA eligible activities in an area, contradicts the approach proposed in the NPR.

The expansion of QAs will result in decreased investment in affordable housing through either reduced value of LIHTC or resources going elsewhere.

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<sup>1</sup> The review is required by section 2222 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, Pub. L. 104–208, 110 Stat. 3009, 3311 (1996), *codified at* 12 U.S.C. 3311 (1996). *See* Federal Financial Institutions Examination Council, *Joint Report to Congress. Economic Growth and Regulatory Paperwork Reduction Act*, pp. 41-48 (March 2017), *available at* [https://www.ffiec.gov/pdf/2017\\_FFIEC\\_EGRPRA\\_Joint-Report\\_to\\_Congress.pdf](https://www.ffiec.gov/pdf/2017_FFIEC_EGRPRA_Joint-Report_to_Congress.pdf).

Inclusion of middle-income households will mean that banks can focus exclusively on financing middle income rental housing or affordable housing in high cost markets, despite a high need for affordable housing.

Opportunity fund investments in opportunity zones without a requirement to benefit LMI communities are unlikely to benefit LMI communities and will fuel gentrification and displacement.

Banks should not receive credit for activities such as social services and volunteerism that are unrelated to the core purpose of CRA.

CRA credit should not be given for activities that banks already conduct in the ordinary course of business.

Under the proposed framework, many rural counties or smaller cities would likely not qualify as AAs, exacerbating these areas' potential to remain or become credit and branching deserts.

Given that it is unlikely that deposit-based AAs will be in LMI communities, the Agencies should expand consideration of the income level of customers using deposit products to help determine whether a bank's online services are fulfilling the needs of LMI communities.

A bank's lending is much more indicative of where banks' profit centers are, and including these areas will be more likely to actually expand reinvestment activity into CRA deserts.

The FRB conducted a thorough data analysis and "did not find a consistent relationship between CRA ratings and a uniform comprehensive ratio that adds together all of a bank's CRA-eligible activities in an area."

Governor Brainard's proposal – which aligns more closely with the core purpose of CRA – would rely on loan counts rather than dollar value.

The branch distribution formula does not give enough weight to the distribution of branches and does not sufficiently incentivize branches in LMI areas.

The NPR's quantitative approach does not leave sufficient room for public comment on plans or ratings.

Opposed elimination of the retail services test, noting that the CRA statute refers to deposit products.

Expressed concern that the CD minimum could be met through lending alone, which might lead to less investment. Debt is shorter duration, less complex, more liquid, and/or carries lower internal capital charge

Expressed concern that the lack of a separate investment test, as in the current rule, could hurt LIHTC investment.

The proposed rule established thresholds and benchmarks that are arbitrary and capricious and unsupported by the existing record.

The rule is arbitrary and capricious because it fails to: 1) meaningfully analyze the likely effects of any proposed changes on credit access and CD in LMI areas; 2) examine the effect of the elimination of the service test and 3) address how specific changes such as broadening the definition of QAs and changing how AAs are determined will impact LMI communities. The Agencies have not provided data or analysis underlying their conclusions, without which it is impossible to determine whether the Proposed Rule is consistent with the evidence before the Agencies.

It is impossible to comment on the reasonableness of the published benchmarks of 11%, 6%, and 3% since the Agencies have not posted the underlying empirical data.

The proposed rule is contrary to the CRA's intended purpose of meeting the credit and deposit needs of LMI communities in particular as well as its mandate that regulators examine how well a given bank is meeting the needs "of its entire community, including low- and moderate-income neighborhoods" because it provides no consideration to how banks are meeting LMI communities' need for deposit accounts and deviates from the statutory focus on LMI communities.

A bank's ratings should be downgraded for the financing of activities that cause displacement or other harm.

#### City of Chicago Office of the Mayor

The use of bank retail deposits as the denominator is problematic because, as the Agencies acknowledge, deposit data is not currently available and because the assumption that data may improve in the future is not an appropriate basis for proposing changes to the CRA regulation.

#### City of Livingston, CA

A bank should be required to meet the needs in its AAs first before pursuing CD activities outside of its AAs.

The Agencies should add a category on CRA exams of underserved census tracts, which would likely include a high number of communities of color.

#### Cincinnati Mayor's Office

Expressed general concerns that the proposed framework would decrease incentives to invest in LIHTC projects.

#### City of Monessen, Pennsylvania

CRA credit should be given for hours of operation and languages spoken.

#### City of Austin, Texas

Broadband and digital accessibility should be included as eligible CD investments.

The removal of economic development criteria will lead to less small business lending and support.

Stated their opposition to the removal of the revitalization and stabilization criteria from the definition of CD and/or stated that the criteria should be added back into the regulation.

Removing revitalization and stabilization criteria will cause banks to no longer see value in such activities, including reclaiming abandoned housing or providing foreclosure prevention programs.

#### City of Akron, Ohio

Asserted generally that branches would count less under the NPR or that the NPR would result in branch closures because it eliminates the test that scrutinizes branch banking.

Expressed opposition to the amount of publicly-available information proposed in the NPR.

Suggested that the proposed changes generally violate the Agencies' obligation under the statute to ensure that banks are continually serving community needs.

Criticized the NPR for not requiring inclusion on exams of bank mortgage company affiliates.

Suggested that the Agencies should add a category on CRA exams of underserved census tracts, which would likely include a high number of communities of color.

Bank activity in relation to communities of color should be included in CRA performance.

Suggested adding an examination of bank services to communities of color in CRA exams.

#### City of Dallas

The removal of economic development criteria will lead to less small business lending and support.

Banks will no longer see value in revitalization and stabilization activities, including reclaiming abandoned housing or providing foreclosure prevention programs.

The combination of a purely metric approach to the CRA rating process combined with the broad increase in the definition of "communities" and AAs could lead to a concentration of CRA qualifying investments in the LMI communities perceived as the "safest" target for such investments.

#### City of Madison, WI

Deposit-based AAs will not improve the flow of resources and will divert attention from underserved areas with the greatest needs.

Deposit-based AAs based on online deposits will make it difficult for cities to fully know and understand where banks receive their deposits until after their annual CRA exams are complete. This would inhibit the ability of local governments and their private and nonprofit partners to proactively coordinate community and economic development efforts.

### City of Toledo

The Agencies should work with the FRB to issue an interagency rule.

### City of San Diego

Suggested the Agencies suspend the rulemaking process in light of COVID-19.

### City of San Francisco

Expressed concern that low-cost transaction and savings accounts are no longer considered for CRA credit because these accounts cannot be quantified under the single metric system.

### Dayton City Commission

Supported modernizing or updating the CRA regulation generally (regardless of whether or not they agreed with the specific proposal).

Fair lending standards and analysis of DOICP should be a part of CRA evaluation.

### Delaware State Housing Authority

Expressed concerns regarding the potential negative or harmful impact of the inclusion of consumer lending.

Stated that placing emphasis on consumer lending as CRA qualifying presents the significant risk of allowing regulated entities to reclassify portions of their market-based activities that currently represent regular business activity as CRA activity; without significant additional clarity and restriction, the inclusion of these activities risks incentivizing predatory lending practices.

Under the proposal, activities with only minimal benefit to LMI individuals will qualify for CRA performance evaluation, and this would be a very large expansion.

Recommended the Agencies raise the threshold in the definition for “partially benefit” to meaning between 50% and 25% of the dollar value of the activity or individuals or census tracts served.

The multiplier should apply to first purchase of HFA-sponsored MBS and to HFA-sponsored single family and multi-family mortgage revenue bonds.

Failing to exclude custody banks from the requirement to designate deposit-based AAs would only exacerbate the issue of the CRA creating hotspots of concentrated reinvestment activities by a large number of banks in populous urban areas.



The CRA evaluation measure will devalue the federal government's most significant investment in affordable housing (LIHTCs).

Had heard from Delaware partners that, given the expansion in QAs, some banks may be able to nearly or fully meet the NPR's CRA benchmarks by simply relying on relabeling market-based business as CRA activity.

Implementing a nationwide redistribution of CRA AAs based on non-existent data will almost certainly cause arbitrary and capricious harm to Delaware, and the proposed expansion of QAs would be arbitrary and capricious and exceed the Agencies' authority.

Due to data limitations, such as the lack of information on deposit-taking activities outside of branch networks, it is difficult, if not impossible, to estimate the impact of the proposed changes.

Redistributing CRA obligations through deposit-based AAs without the underlying data will cause nationwide confusion.

The arbitrary one-ratio assessment approach creates a "count the widgets regime which is fundamentally discordant with the CRA's mandate to be responsive to community needs."

#### Louisville Kentucky Mayors Office

The Agencies had not shared sufficient evidence or data on the likely impact on the types and scale of CRA activity, and there was insufficient data and analysis shared to analyze the effects of the proposal.

#### Montgomery County (MD) County Council

New data collected on consumer lending and CD financing must be released to the public on at least a county level, but ideally a census tract level, to increase transparency and accountability.

Criticized the NPR for not requiring inclusion on exams of bank mortgage company affiliates.

Suggested that the Agencies should not extend the evaluation period and examination cycle for banks with an Outstanding rating.

#### Massachusetts Department of Housing and Community Development

The Agencies should gather or release more data before finalizing the rule.

Suggested that the OCC use the FRB framework to modernize CRA.

The multiplier is insufficient to incentivize Housing Credit/affordable housing activities.

Deposit-based AAs will not alleviate CRA hotspots and CRA deserts because a large percentage of deposits will be concentrated in the same urban/affluent areas, further concentrating CRA

activity there (and some note exacerbating pricing differentials in those markets) and shifting CRA activity away from rural and LMI areas. The framework incentivizes larger and easier investments over investments that will help LMI areas.

Recommended that the Agencies consider the number of qualifying loans, either in addition to, or instead of, the CRA evaluation measure's consideration of dollar amounts.

By looking only to the aggregate dollar value of loans, the NPR fails to distinguish between conventional home mortgage loans and other loan products such as variable rate home equity lines of credit, which may threaten housing stability for LMI borrowers, rather than enhance it.

Recommended that the Agencies establish separate tests for retail lending and CD.

Recommended adopting the FRB's approach to the retail lending and CD tests, which would include metrics and qualitative factors.

Suggested including portions of the FRB's proposal, including establishing retail lending metrics tailored to the needs of local communities, including their actual percentages of LMI households.

Bank services should be evaluated qualitatively at the AA level.

The proposed rule was issued without sufficient analysis of the potential consequences, and further study is needed prior to adopting sweeping changes in CRA metrics.

The CRA evaluation measure needs more analysis.

#### Minnesota Housing (Housing Finance Agency for the State of Minnesota)

Supported the proposal to provide pro-rata credit for CD activities but advocated the Agencies provide full credit for investments in Housing Credits, Housing Bonds, and HFA MBS without requiring banks to determine if every resident or homebuyer qualifies under income or geographic criteria.

CRA credit should be awarded for liquidity and other assistance provided to entities coping with direct and indirect consequences of COVID-19 as well as related liquidity concerns raised by homeowner and multi-family owner forbearance and eviction protections.

Suggests giving at least partial credit for affordable housing and CD activities in areas outside a bank's AA, provided the bank receives a Satisfactory or better rating in its most recent CRA examination.

The Agencies should expand the definition of AAs to include any area in a state in which a bank has one or more "primary" AAs, provided the bank received a satisfactory or better rating in the primary AA in the prior rating period.

Expressed concern that the CRA evaluation measure would hurt the market for LIHTCs.

Suggested that home mortgage loans should be analyzed under the geographic distribution test.

Frank G. Jackson, Mayor of Cleveland

Generally urged the Agencies to continue the current three-part framework of rating banks based on their lending, investments, and services.

Criticized the elimination (or virtual elimination) of the test for retail services. The retail services test should be strengthened.

Michigan State Housing Development Authority

The lack of an express limitation that infrastructure projects benefit LMI persons is an improper expansion of CRA.

The inclusion of infrastructure spending, beyond personal finance, housing and small-business financing, is a dilution of the CRA's purpose: addressing housing and business-opportunity disparity effected by the banking industry.

Expressed general concerns that the proposed framework would decrease incentives to invest in LIHTC projects.

Under the proposed framework, many rural counties or smaller cities would likely not qualify as AAs, exacerbating these areas' potential to remain or become credit and branching deserts.

The fact that a bank may not "arbitrarily" exclude LMI geographies implies that a bank may deliberately exclude LMI geographies for any articulable business reason; this would undermine the fundamental goal of the Act.

The NPR is unclear on how evidence of a bank engaging in DOICP will affect its CRA rating.

City of New York

Stated specific reasons why they support the NPR's proposal to no longer give credit to retail loans originated to middle-income and upper-income borrowers located in LMI areas.

The multiplier would artificially inflate the quantified value of some QAs or discount the value of other activities including MBS, CD investments in MBS, and CD investments in municipal bonds.

Disincentivizing LIHTC investment would ultimately hurt the ability of cities and states to meet their affordable housing needs.

New York State Department of Financial Services

Suggested that the OCC use the FRB framework to modernize CRA.

CRA credit should not be given for activities that banks already conduct in the ordinary course of business.

The use of bank retail deposits as the denominator for the CRA evaluation measure is problematic because the deposit data is not currently available. The assumption that that data availability may improve in the future is not an appropriate basis for proposing changes to CRA regulations.

Requested that regulators consider retaining evaluation procedures for ISBs.

Suggested that the empirical benchmarks and thresholds proposed are arbitrary.

Neither the Agencies nor the public can evaluate the Agencies' proposal to designate additional geographical areas outside of branch networks due to the lack of publicly available data.

The use of bank retail deposits as the denominator is problematic because, as the Agencies acknowledge, deposit data is not currently available and because the assumption that data may improve in the future is not an appropriate basis for proposing changes to the CRA regulation.

The Agencies should maintain the current designation of wholesale and limited purpose banks and they should continue to be evaluated under the CD test.

#### Oregon Housing and Community Services

The multiplier should apply to work with/investment in HFAs.

Supporting affordable housing developments and homeownership lending to LMI individuals should be added to the QA list.

#### Pennsylvania Housing Finance Agency

All activities of state HFAs should be QAs or, as an alternative, the proposal should add several HFA-related QAs.

#### City of Philadelphia

Recommended including items that would not qualify for CRA credit.

Recommended creating a list of excluded activities that would not qualify for CRA credit.

Expressed concerns that providing double credit could reduce amounts invested.

Suggested establishing minimum holding periods for qualifying CRA activities to more effectively achieve the same intended effect of encouraging longer term holds.

Recommended maintaining the current standard that banks do not get CRA credit until they close the loan.

Recommended that the Agencies establish separate tests for retail lending and CD. A subset of these commenters recommended adopting the FRB's approach to the retail lending and CD tests, which would include metrics and qualitative factors.

Half of the "ratio" rating should be in the form of CD loans and investments.

Suggested that the Agencies require a certain percentage of investment portfolios to be less than three years old to support the mix of longer debt products and continue to encourage banks to produce new loans.

Suggested that the Agencies should publicly disclose ranking and rating of banks, allowing for public review and comment.

Suggested that the Agencies retain the requirement that banks report activity by category, i.e., home mortgage, business lending and other activities. Reporting should include the number, amounts, and geographic distribution of the loans. The data should be released as open data that allows for administrators, legislative members, lenders, and borrowers to understand what works and what needs to be improved.

#### City of Portland

Government agencies and tribal leaders should be consulted regarding any expansion or inclusion of the CRA to their communities.

Supported including the development of affordable housing in high-cost areas for CRA credit *only* if it primarily benefits LMI communities/individuals.

Stadiums should only receive CRA credit if they primarily benefit LMI households.

In order for an activity to qualify for CRA credit, it should have to benefit LMI individuals or the focus of the criteria defining QAs should be on providing benefits targeted to LMI people or communities.

#### State of Connecticut Department of Banking

There should be more coordination between federal and state regulators for CRA evaluations, including a joint body to vet and accept activities that qualify for CRA credit and an alternating CRA examination schedule similar to that used for coordination of safety and soundness examinations.

Recommended the QA list be created in coordination with the Agencies' state regulator counterparts.

Socially beneficial activities, including environmental initiatives and green technology, should be QAs.

#### City of South Euclid

Suggested that the proposed changes threaten to remove meaningful metrics that allow cities to evaluate the performance of local banks and have productive conversations about how to better serve their residents.

#### Seattle Housing Authority/King County Housing Authority

The proposed rule is unclear on the treatment of QAs serving more than LMI communities, including investments in affordable housing where only a portion of the units serve LMI households.

Recommended the Agencies consider new originations of loans or investments in addition to balance sheet activity.

Suggested the Agencies also consider adding a minimum level of regular investment in affordable housing.

#### Vermont Housing & Conservation Board

CRA reform must create more access to capital by incentivizing high impact investments in rural communities.

#### Washington State Housing Finance Commission

The CRA evaluation measure will not fit all economic conditions and/or local communities.

CRA metrics must work in all phases of the economic cycle. A dollar volume metric cannot meet this standard without frequent adjustments on the national, and in some cases, local level. Such adjustments will inevitably defeat the objectives of predictability, clarity, simplicity and transparency.

### **Comments Other Than Written Submissions**

OCC officials also spoke with representatives of the following state, local, and tribal governments:

- City of Cleveland, Department of Community Development (Director of Community Development), about concerns relating to which activities count for CRA credit, where activities count for CRA credit, and measurement of CRA performance.
- City of Cleveland Heights, Ohio (CDBG Coordinator), about concerns relating to which activities count for CRA credit, where activities count for CRA credit, measurement of CRA performance, and CRA-related data collection, recordkeeping, and reporting.
- New Mexico Department of Indian Affairs (title unknown), about possible actions the OCC might take with regard to the then-forthcoming Notice of Proposed Rulemaking on the Community Reinvestment Act as well as the OCC's publication "Community Reinvestment Act -- Opportunity for Modernization."
- Dekalb County, Georgia (County Commissioner and Commissioner's Office), about possible actions the OCC might take with regard to the then-forthcoming Notice of Proposed Rulemaking on the Community Reinvestment Act as well as the OCC's publication "Community Reinvestment Act -- Opportunity for Modernization."

To: Rulemaking File

From: Barry Wides, Deputy Comptroller for Community Affairs

Date: October 1, 2019

Subject: Summary of August 9, 2019 Community Bus Tour of Atlanta, Ga.

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On August 9, 2019 representatives from the Office of the Comptroller of the Currency (OCC) met with representatives from bankers and community development groups regarding possible actions the OCC might take with regard to its forthcoming Notice of Proposed Rulemaking on the Community Reinvestment Act<sup>1</sup> as well as the OCC's publication "Community Reinvestment Act -- Opportunity for Modernization." External attendees discussed their views on actions the OCC should take with regard to the forthcoming proposed rule and provided feedback on options identified in the publication.

**OCC Attendees:**

Joseph Otting	Comptroller of the Currency
Barry Wides	Deputy Comptroller for Community Affairs
Bryan Hubbard	Deputy Comptroller for Public Affairs
Nancy Gresham Jones	District Community Affairs Officer
Glenda Cross	Director for Minority Outreach
Deborah Thompson	Assistant Deputy Comptroller
Jason Sisack	Assistant Deputy Comptroller

**Non-OCC Attendees:**

Andrew Young	Ambassador, Andrew Young Foundation
John Hope Bryant	Operation Hope, Chairman
Lance Triggs	Operation Hope
Caryn Anderson	Operation Hope
Brian Betts	Operation Hope
Mary Ehram	Operation Hope
Jena Rosco	Operation Hope
Walter Dees	Operation Hope
Amanda Nembhard	Operation Hope
Warren Hallmon	Operation Hope
Grace Fricks	Access to Capital for Entrepreneurs
Martina Edwards	Access to Capital for Entrepreneurs

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<sup>1</sup> See Reforming the Community Reinvestment Act Regulatory Framework, 81 Fed. Reg. 45,053 (Sept. 5, 2018).



Kietra Bates	Marddy's
Ashani O'Mard	Atlanta Neighborhood Development Partnership
Jennifer Ball	Central Atlanta Progress
LeJuano Varnell	Sweet Auburn Works
Devon McCorkle	Cim Group
Mack Wilbourn	Mack II, Inc.
Travis Jones	Mack II, Inc.
Lonnie Saboor	Invest Atlanta
Tyra Paytes	Capital Fortitude Business Advisors
Douglas Williams	Atlanta Capital Bancshares
Jill Toth	Bank of America
Alberto Garofalo	Bank of America
Richard Slaton	Bank of America
Nikki Holsopple	JP Morgan Chase
Courtney Smith	PNC
Melanie Kandil	RBC Bank
Angela Brazzill	RBC Bank
Brian Terry	SunTrust
Hank Almquist	Touchmark National Bank
Michelle Y. Lee	Wells Fargo Bank
Darryl Harmon	Wells Fargo Bank
Esther Pigg	FIS Global
Ashley Jones	Invest Atlanta
Brenda Foye Cornelius	The Cornelius Group
Harry S. Smith, Jr.	Atlanta Police Foundation
Cassius F. Butts	Capital Fortitude Business Advisors
Will Lambe	Enterprise Community Investments
Leona Barr-Davenport	Atlanta Business League
Lorraine Cochran-Johnson	Dekalb County Commissioner
Leah Davis	Office of Dekalb County Commissioner Cochran-Johnson
Mike Davis	Nucleaus Capital
Tsedey Betru	Just Opportunity
Maria Saporta	Saporta Report
Sean Keenan	Saporta Report
Andy Peters	American Banker
Lalita Clozel	Wall Street Journal

To: Rulemaking File

From: Barry Wides, Deputy Comptroller for Community Affairs

Date: October 1, 2019

Subject: Community Tour of New Mexico Pueblos on August 29, 2019

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On August 29, 2019, representatives from the Office of the Comptroller of the Currency (OCC) met with representatives from bankers and community development groups regarding possible actions the OCC might take with regard to its forthcoming Notice of Proposed Rulemaking on the Community Reinvestment Act<sup>1</sup> as well as the OCC's publication "Community Reinvestment Act -- Opportunity for Modernization." External attendees discussed their views on actions the OCC should take with regard to the forthcoming proposed rule and provided feedback on options identified in the publication.

**OCC Attendees:**

Joseph Otting	Comptroller
Bao Nguyen	Principal Deputy Chief Counsel
Barry Wides	Deputy Comptroller for Community Affairs
Bryan Hubbard	Director for Congressional Liaison
Kathy Holmes	District Community Affairs Officer
Kurt Raney	Assistant Deputy Comptroller, Western District
Andrew Moss	Outreach and External Relations Program Manager
Justin DeDera	National Bank Examiner

**External Attendees:**

Dante Desiderio	NAFOA
VaRene Martin	NAFOA
Melanie Benjamin	NAFOA
Christina Danforth	NAFOA
Patrice Kunesh	Federal Reserve Bank of Minneapolis
Kevin Allis	National Congress of American Indians
Jefferson Keel	National Congress of American Indians
Lacey Horn	Treasury Tribal Advisory Committee
Lynn Trujillo	New Mexico Department of Indian Affairs
Jodie Harris	CDFI Fund
Matt Lamb	Sunflower Bank
Alan Gordon	Bank of America

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<sup>1</sup> See Reforming the Community Reinvestment Act Regulatory Framework, 81 Fed. Reg. 45,053 (Sept. 5, 2018).

Paul Mondragon	Bank of America
Brigette Helsten	Bank of America
Damian Libutti	Bank of Albuquerque
Tom Ogaard	Native American Bank
Shannon Ward	Native American Bank
Aaron Empert	Pioneer Bank
Dawson Her Many Horses	Wells Fargo
Andrew Moya	Wells Fargo
Damian Libutti	Bank of Albuquerque
John Valentine	Bank of Albuquerque
Tom Ogaard	Native American Bank
Shannon Ward	Native American Bank
Aaron Empert	Pioneer Bank
Geoffrey Blackwell	Amerind Risk
Derek Valdo	Amerind Risk
Matt Lamb	Sunflower Bank
Art Perez	US Bank
Mike Lettig	Keybank
Phil Glynn	Travois



To: Rulemaking File

Thru: Barry Wides, Deputy Comptroller for Community Affairs

Date: May 19, 2020

Subject: Community Tour in Memphis, TN

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On March 6, 2020 representatives from the Office of the Comptroller of the Currency (OCC) met with representatives from bankers and community development groups in Memphis, TN regarding possible actions the OCC might take with regard to the revision of Community Reinvestment Act regulations. External attendees expressed views concerning actions the OCC should take with regard to the rule.

Attendees:

Joseph Otting	Office of the Comptroller of the Currency
Barry Wides	Office of the Comptroller of the Currency
Ammar Askari	Office of the Comptroller of the Currency
Andrew Moss	Office of the Comptroller of the Currency
Nancy Gresham Jones	Office of the Comptroller of the Currency
Laura Long	Office of the Comptroller of the Currency
John Hope Bryant	Operation Hope
Lance Triggs	Operation Hope
Brian Betts	Operation Hope
Mary Ehram	Operation Hope
Elaine Hungenberg	Operation Hope
Yvette Lippert	Operation Hope
Trudy Morrison	Operation Hope
Judie Hayes	Operation Hope
Robert Harris	BancorpSouth Bank
Fred Piell	Bank of America
Randy Risher	Bank of America
Trevia Chatman	Bank of America
Kyle Hatler	Bank of America
Rod Loggins	Cadence Bank
Hank Holmes	Cadence Bank
Keith D. Turbett	First Horizon Bank
Candace Flippin	First Horizon Bank

Angel L. Price	Tri-State Bank
Andrea Boykins	Tri-State Bank
Jerry Host	Trustmark National Bank
Art Stevens	Trustmark National Bank
Chris Thurman	Trustmark National Bank
Sherry Rainey	Trustmark National Bank
Louise Barden	Trustmark National Bank
Ivy Williams	Trustmark National Bank
Candy Moore	Wells Fargo Bank
Darryl Harmon	Wells Fargo Bank
Doug Schaeffer	Woodforest Bank
Molly Polatty	Shelby County Trustee - Financial Empowerment Center
Mauricio Calvo	Latino Memphis
Ruby Bright	Women's Foundation for a Greater Memphis
Paul A. Young	City of Memphis - Division of Hsg & Community Development
Lynette Hall Lewis	City of Memphis
Michael O. Harris	Junior Achievement
Amy Schaftlein	United Housing
Thomas Olderberg	US Bank
Joann Massey	City of Memphis - Office of Business Diversity & Compliance
Andrew Ackerman	Wall Street Journal
Tonyaa Weathersbee	The Commercial Appeal
Mayor Jim Strickland	City of Memphis
Lester Watt	Operation Hope