

BLUE SKY CENTER

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Public Comment

February 6, 2020

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RE: Community Reinvestment Act Regulations

RIN 3064-AF22: Notice of Proposed Rulemaking, Docket ID OCC-2018-0008

To Whom It May Concern:

Blue Sky Center, a non-profit place-based organization in the Cuyama Valley, California, **strongly opposes** the proposed changes to the Community Reinvestment Act (CRA) regulations.

As an organization serving an isolated rural community of a population of 1,100 over 300 square miles, CRA funds are critical to our work improving the livelihoods, economic opportunity, and housing access for the Cuyama Valley. Non-profit organizations such as ours are often the only CRA-eligible organizations based in and serving these highly rural communities. The proposed rule changes would result in banks being permitted to focus less on low- and moderate-income (LMI) communities like Cuyama. Moving forward with these rule changes would harm rural communities that have limited traditional banking access. In the Cuyama Valley, there is already currently no bank or credit union, with the nearest banks being a minimum of a 40-minute drive away.

A critical component of CRA as it is now is that banks must invest in the communities where they have bank branches. The rule changes would permit banks instead to fund LMI consumers anywhere, not where they are located. This would disadvantage rural communities by disconnecting banks from their own local communities. It serves to disincentivize banks to maintain and open branches in LMI and rural communities. Without trustworthy and affordable banking products, predatory check cashers and payday lenders will gain an even tighter stronghold in LMI and rural communities. The proposed rules would allow for discrimination and redlining, as the examinations would have less teeth to address violations. No doubt, banks would seek to meet their CRA obligations in "easier to serve" urban and metro areas that are more affluent and more populated, harming rural communities' access to CRA grant funding everywhere.

Real CRA reform would focus on low and moderate income people and communities, with more scrutiny of reinvestment in rural areas. Service tests should have a *greater* emphasis, rather than being eliminated as is proposed in these rule changes.

Thank you for your consideration of this perspective.

Jack Forinash, Executive Director