



# United Tenants of Albany

*A Better Place to Live*

February 26, 2020

Re: Notice of Proposed Rule Making, Community Reinvestment Act Regulations

To Whom It May Concern:

The United Tenants of Albany objects to the proposed rules for changing CRA regulations.

In the early 1970s community activists in Albany, NY, brought tenants together to demand better code enforcement and improvements in slum housing. This organizing process created the United Tenants of Albany; confrontations with slumlords and local government officials exposed redlining policies; later contact with other similar community organizations in New York State led United Tenants to participate in conferences with the National Peoples Action through which the Home Mortgage Disclosure Act and the Community Reinvestment Act evolved.

That was forty plus years ago. Initially lending institutions denied their role in creating and maintaining segregated and unequal communities through redlining practices. However, federal bank regulators quietly and consistently urged lending institutions to implement careful and prudent lending practices to meet community credit needs in formally redlined neighborhoods. While local community-wide organizing by United Tenants created the Community Loan Fund of the Capital Region and the Albany Community Land Trust, recalcitrance and reluctance to embrace CRA by local banks led United Tenants to file several formal CRA complaints in the early 1980s. By 1989 these efforts came together with the formation of the Affordable Housing Partnership (initially a county-wide organization that quickly became a regional organization) and a companion Capital Affordable Housing Funding Corporation.

Working through the tensions of addressing developing institutional reinvestment in local community development settings in Albany in the 1980s gradually produced positive working relationships between bankers, public officials and community activists. Conventional measurements of the tens of millions of dollars in direct CRA lending compounding the tens of millions of dollars of CRA direct investments and several times that amount leveraged in other private and public investments in the Albany area are an incomplete assessment of CRA impact locally. Moreover, the intangible impact of enlightened interaction between bankers, public officials and community activists through CRA related contact has been a definite CRA benefit over the past three decades.

But things have changed, especially in the world of banking. Bigger banks have been swallowing up smaller banks with the result that local lending decisions are far less often made at the local level. Community credit needs become obscured when formally redlined neighborhoods become gentrified and the overall wealth gap between minorities and whites (largely a result of longtime redlining) has

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increased. Polarization and animosity, especially reflected in national political leadership, undermine community progress that can best be achieved through collaboration and cooperation.

The proposed changes in CRA regulations will reduce and impede the positive improvements that are drastically needed in our community and in society as a whole:

- Instead of encouraging lending institutions to evaluate and respond to community credit needs (best done at the local level) these proposed rules will broaden the scope of CRA eligible activities in a manner that will allow large scale development to overshadow and consume capital that CRA should allocate for marginalized neighborhoods and populations.
- The negative impact of this proposal is further compounded by use of a single ratio (all “CRA eligible” dollars invested divided by dollars invested) to be the CRA rating for the institution.
- The proposal for a lending institution to establish a benchmark (or ratio) of investments in a yet-to-be-determined “significant portion” of its assessment areas in order to receive a satisfactory or outstanding rating further obliterates the intention of the CRA in the first place to prioritize meeting community credit needs of populations and neighborhoods damaged by past redlining.

These proposed changes in CRA rules are the opposite of reform; they will turn CRA into a false chimera and effectively eviscerate sorely needed “greenlining” to right the wrongs of America’s past.

Thank you for your time and consideration,



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