

From: [REDACTED]
To: [Comments](#)
Subject: [EXTERNAL MESSAGE] January 09, 2020 - Community Reinvestment Act Regulations; Notice of Proposed Rulemaking; Comment Request (RIN 3064-AF22)
Date: Friday, February 28, 2020 1:46:49 PM

Greetings,

The CRA regulation describes its purposes: “In enacting the CRA, the Congress required each appropriate Federal financial supervisory agency to assess an institution's record of helping to meet the credit needs of the local communities in which the institution is chartered, consistent with the safe and sound operation of the institution, and to take this record into account in the agency's evaluation of an application for a deposit facility by the institution. This part is intended to carry out the purposes of the CRA by: (1) Establishing the framework and criteria by which the FDIC assesses a bank's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the bank; and (2) Providing that the FDIC takes that record into account in considering certain applications.

The CRA modernization proposal has a requirement of a presumptive rating based on the comparison of its average bank-level CRA evaluation measure to established empirical benchmarks. The proposed calculation of qualifying activities is complicated. To calculate 25% percent of sold loans and assign hourly salary of CD services would take a large amount of work. There needs to be a easier method for this measurement since the end result is merely a gauge on a bank’s CRA performance, for example, the use of the loan-to-deposits ratio provides similar results.

The data collecting requirement of retail domestic deposit data is another step requiring significant efforts and time given that most community banks are lending in areas where their offices are located.

The current approach of measuring CRA based on loan volume has been effective in determining if a bank is lending to its entire community. The additional steps of calculating quantified values and collecting domestic deposit data will not provide a better measurement of CRA performance. As a community bank our issues with the current rules have been the regulatory agencies not providing clear expectations and consistent standards on current measures.

Sincerely,

Aaron Williams, CRCM