

City of Cincinnati



801 Plum Street, Suite 354
Cincinnati, Ohio 45202

Phone (513) 352-5270
Fax (513) 352-5287
Email pg.sittenfeld@cincinnati-oh.gov
Web www.cincinnati-oh.gov

P.G. Sittenfeld

Councilmember

March 4, 2020

Comptroller Joseph M. Otting
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

Chair Jelena McWilliams
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Director Otting and Chairwoman McWilliams:

I am writing on behalf of the people of the City of Cincinnati in opposition to the Office of the Comptroller of the Currency's proposed Community Reinvestment Act (CRA) rule changes. Instead of modernizing CRA, we feel changes the proposed changes will in fact undermine the law's very purpose and set our community back decades.

Our community cannot risk losing the hard-won investments made by banks since the passage of CRA. This proposal weakens the transparency, devalues the physical bank branch presence so vital to low-moderate income (LMI) communities, and stifles innovation of banks to move LMI communities forward. These changes are a step backward for community development and reinvestment. We believe that this bid to fundamentally change CRA creates all the wrong incentives for banks, will reduce the number of mortgage and small business loans made to low- to moderate income people, and will accelerate the trend of closing bank branches.

We understand that a bill passed over four decades ago must be updated to reflect the realities of modern banking, but it should not come at the expense of its original intent - to address a pervasive, race- and class-based injustice. If modernization of the CRA simply means streamlining the process for banks, which already have an exam pass rate over 90%, then we must ask you to go back to the drawing board. We urge the FDIC and OCC to discard this proposal and to work with the Federal Reserve Board to write and propose an interagency rule that will improve CRA, not undermine it. CRA is critical to the community and economic development of Cincinnati, and without strong incentives to give reinvest in the community, we believe banks will simply retreat into areas of lower risk and lower effort.

Sincerely,


Council Member P.G. Sittenfeld

COMMITTEES

Chair: Education, Innovation & Growth

Member: Budget & Finance • Equity, Inclusion, Youth & The Arts