



Neighborhood Housing Services of Baltimore, Inc.

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April 1, 2020

The Honorable Joseph Otting, Comptroller
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

The Honorable Jelena McWilliams, Chair
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-0002

RE: Docket ID OCC-2018-0008; RIN 1557-AE-34, 3064-AF22; - Reform of the Community Reinvestment Act

Dear Comptroller Otting and Chair McWilliams:

I am offering my thoughts regarding major areas of Community Reinvestment Act (CRA) in response to the Notice of Proposed Rulemaking (NPR). One of the most central reason for CRA's success is that it has fostered collaborations among banks, community organizations, and public sector agencies that have developed lending and investing programs and products. A number of proposed changes would change this partnership for the worse.

I am the Director of Lending at a CDFI in Baltimore, MD named Neighborhood Housing Services of Baltimore. As a member of the NeighborWorks network, we lend directly to homeowners. 67% of our lending is to LMI borrowers. We offer down payment loans to borrowers who frequently use bank "CRA loans". These are mortgage loans targeted to LMI communities. They often do not have mortgage insurance as well as other preferred terms. Eliminating home mortgage lending in LMI communities as an exam criteria would change this entirely. It would hurt LMI borrowers who would be forced into higher priced and less flexible mortgages.

Bank investment in CDFI's has been critical to groups like ours. It has expanded investment in persistent poverty areas that we lend in. We fear that the change in rules that would allow a bank to use the depository address instead of the investment area address would discourage investment in these hard to serve areas and would lead to a lack of transparency in where banks lend.

The new One Ratio change would favor larger transaction over products like investment in our small dollar mortgages (\$75,000 on average). The One Ratio change will make it less likely that banks will respond to local needs because their evaluation will not take into account investment in their Assessment Area.

These recommended changes would hurt LMI borrowers as well as CDFIs like ours. We wish to register our opposition to the proposal contained in the NPR. Please consider its impact on LMI communities, LMI borrowers and CDFIs in making your decision.

Thank you,



Catherine Semans
Director of Lending

