

Community Reinvestment Act ~~Fact~~ Sheet

"FACTS"

FACTS about proposed changes to the Community Reinvestment Act Regulations

Almost Everything counts for CRA!



Community Reinvestment Act (CRA) regulations haven't been updated since 1995, but consumers bank differently today, and the banking industry has changed a lot.

X The proposed rules would expand the types of activities that count toward CRA credit. This expansion will encourage more capital, investment, lending, and services in LMI, rural, and distressed communities.

- The OCC's goal is to strengthen the CRA by updating its rules. The proposed CRA rules would encourage more investment, lending, and services in the communities that need it most.

X The CRA proposal would provide clear standards for banks regarding what counts for CRA credit, removing the guesswork. Community advocates and banks will be able to plan activities without the risk of not receiving credit.

- The CRA proposal would improve the CRA regulation by:

Just makes it clear that most everything counts

1. **Clarify**
2. Updating w
3. **Evaluating** CRA performance more **objectively**
4. Making CRA **reporting more transparent and timely**

X The proposal creates a fair system for evaluating the way banks distribute retail loans in their assessment areas, and the impact CRA activities have on the community.

X The CRA proposed rule would encourage banks to better serve areas like rural communities, areas identified for aid, distressed areas, and Indian Country.

No analysis of helpful or harmful products; less analysis of equitable lending; no penalties for harmful multifamily lending that displaces families

No requirement in these areas to focus on local needs or on LMI people

✘ New CRA rules would support small businesses. The proposed CRA rules would increase the eligible size for small business loans and encourage more economic development and job creation.

Yes, but no more analysis of smaller loans and no incentives to reach very small businesses

✘ Proposed CRA rules would compare each bank's results with a new standard. The rule considers the quality and quantity of a bank's CRA performance and avoids judging banks on a single metric.

OCC equates "quality" or "impact" with dollars. There is NOTHING on actual impact in the regs - even less than before

✘ New CRA rules would support America's farmers. The proposed CRA rules would increase the eligible size for small farm loans, which encourages economic opportunity and helps U.S. agriculture survive.

OCC gathered and ignored feedback

✘ The proposed CRA rules would encourage banks to make long-term investments to support community development by evaluating on-book activities versus just new activity. This provides greater stability for community development.

✘ To update the CRA, the OCC gathered feedback from stakeholders and held interagency discussions. The proposal reflects the years of feedback and months of agency discussions.

✘ The new CRA rules would fight displacement and harmful gentrification by focusing lending, investment, and services to LMI individuals and communities.

✘ The proposed CRA rules would preserve community voices and maintain a way for citizens to provide comments on their banks to regulators. Communities will always have a place to share concerns with bank examiners.

✘ Bank branches are still important! The proposed CRA rules would help preserve branches, particularly in LMI areas, by providing more credit for branches and evaluating CRA activity around branches.

- Stakeholders are encouraged to read the proposal and submit their comments. The OCC hopes to issue the final rule in the first half of 2020.
- Visit www.occ.gov/cra for more information.

Tiny boost for % in LMI areas; nothing on branches opened/closed or banking costs and products

SO many new activities that don't have to benefit LMI people/neighborhoods

We can provide feedback, but no clarity as to how it's incorporated into bank rating or community needs