

August XX 2022

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551.

James P. Sheesley, Assistant Executive Secretary  
Attention: Comments RIN 3064-AF81  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429.

Chief Counsel's Office  
Attention: Comment Processing  
Office of the Comptroller of the Currency  
400 7th Street, SW, suite 3E-218  
Washington, DC 2021

Via Federal eRulemaking Portal – Regulations.gov

Re: RIN 1557-AF15; RIN 3064-AF81; RIN 7100-AF[•]

Ladies and Gentlemen,

On May 5, 2022, the Office of the Comptroller of the Currency ("OCC"), the Board of Governors of the Federal Reserve System ("The Board"), and the Federal Deposit Insurance Corporation ("FDIC") (collectively, "the agencies") promulgated a Notice of Proposed Rulemaking, proposing major revisions to the implementing regulations of the Community Reinvestment Act.

*The following includes guidance as well as possible statements for your consideration.*

Describe yourself and why this rule is important to you and your institution. Include a brief description of your bank, its size and type, whether it is rural or urban and any other facts that provide context for your comments. Also, explain who YOU are, such as "I am the CRA officer for my bank and have served in this role for XX years. As such, I have collected data and been responsible for planning our CRA activities."

Give a brief statement of your position on the proposal. For example, if yours is a small bank, you might indicate that it is critical that your institution be able to continue under the current basic rules and that expanded data collection and new tests will be a significant burden. If you can, provide a quantification of the impact. For example, "Our bank will likely need to retain XX additional staff in order to comply. We have been informed by our data processor, that our costs for certain data collection is likely to be YY per year."

*The following items are ones that you might consider commenting on and expanding from your bank's business perspective. In addition to these items, consider commenting on the data collection and testing.*

### **Asset Thresholds Should Be Adjusted**

We appreciate the increases in the asset thresholds for small banks. However, the buckets started from the truly small caps currently in place and reflective of prior conditions. We strongly recommend that "small" should be set at \$1 billion in assets and "intermediate" at \$10 billion.

### **Small and Intermediate Small Bank Opt-In**

Explain how/whether this would work for your bank. What would the costs be? Would it be reasonable? Urge that the option be retained!

### **CRA-Qualifying Activities Should Be Expanded and Consistently Applied.**

Here is a topic that we can support! Explain how having this list would be helpful to your institution. Have you had difficulties in the past in identifying qualifying activities or investments?

### **Assessment Areas**

Explain impact of taking entire county into assessment area. Support ability to clearly (but fairly) delineate only a portion, using entire census tracts of course.

### **Home mortgage loans**

Discuss whether all closed-end home mortgage loans of all purposes should be aggregated or split out. What would be the cost of this data collection?

### **Small business loans**

The definition for these bumps the gross annual revenue to \$5 million or less for the preceding year. This is quite a jump! What would the impact be on your bank?

Consider: the 1071 rule will use a higher gross revenue. Should the CRA rule and 1071 be consistent? If they are not, what would be the cost of maintaining two data sets? Also, if not \$5 million, should the revenue remain at \$1 million?

Where should "small business" and "small farm loans" be considered? Do you want to be able to choose the Retail Lending Test or, if it has a primary purpose of community development, under that test?

### **Credit for Activities Outside CRA Assessment Areas**

One significant change would allow banks to get credit in their CRA exams for investments and other activity outside their assessment areas but benefit LMI populations, which are now limited to physical branch networks. Does your bank have difficulty in finding activities and investments in your assessment area? Is this change important to you? (Consumer advocates are likely to oppose this one!)

#### **Data collection and benchmarks**

Discuss the complexity of this area. If possible, quantify the cost of managing these calculations.

#### **Transition**

The proposal could impose an applicability date of 12 months after publication. Meanwhile, a final rule under section 1071 is pending and would also affect data collection. What date would work best? (24 months?)

Respectfully submitted,

[signature block]