February 16, 2021

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

Re: Community Reinvestment Act Regulations, Docket No. R-1723 and RIN 7100-AF94

To Whom It May Concern,

We applaud the efforts being undertaken by the Board of Governors of the Federal Reserve System ("Board") and previously by the Office of the Comptroller of the Currency ("OCC") and Federal Deposit Insurance Corporation ("FDIC") to modernize the Community Reinvestment Act ("CRA"). The efforts undertaken by all three agencies is herculean, and while complete consensus may never be achieved, the determination and focus to improve clarity, consistency, and transparency will benefit the banks, the agencies, community groups, and other stakeholders in the long-run.

Stifel Bancorp, Inc. is a bank holding company with $17.7 billion in total assets held by Stifel Bank & Trust and Stifel Bank (together, the "Banks"), all of which are headquartered in St. Louis, Missouri. Recognizing that our Banks are both regulated by the Board and operate under a CRA Strategic Plan, in part, due to non-traditional structures, we want to provide comments to a select number of the specific questions that have been posed to help contribute to the reform efforts underway.

Question 6. Would delineating facility-based assessment areas that surround LPOs support the policy objective of assessing CRA performance where banks conduct their banking business?

Comment: As noted in the advance notice of proposed rulemaking ("ANPR") summary discussion before Question #6, "Certain banks source loans and other services through LPOs, which are non-depository lending facilities that extend retail lending products to the public and are frequently located outside of branch-based assessment areas. CRA performance associated with these facilities could be evaluated based on bank business models, capacities, and constraints, as well as community needs."

As structured today, the LPO designation does not only apply to locations offering "retail" lending products (mortgage, consumer, or small business/farm loans), it also encompasses office locations where employees review and underwrite non-retail loans in which the credit decision, closing and funding still occurs within a branch. There may be zero or minimal correlation between a physical location and lending activity within the area of the facility location. The physical location of bank employees, particularly those focused on larger corporations or those with specific business models/industries, has become less important with technological advances, and an increase in employees working remotely. Many banks may have an LPO location which resulted from personal location choices of valued employees rather than a bank's strategy to lend in a facility's surrounding area. The change to an LPO prompting an assessment area may cause an unintended consequence of diluting a focused and effective CRA effort by adding and spreading out assessment areas without substantial local staff to address the new CRA requirements. The delineation of a facility-based assessment area should be optional or tailored to capture the facilities in which the bank's strategy includes marketing to the general public within the local area surrounding the LPO.

Question 42. Should the Board combine community development loans and investments under one subtest? Would the proposed approach provide incentives for stronger and more effective community development financing?

Comment: Combining the community development loans and investments to capture prior examination period loans held on the balance sheet will encourage banks to work with clients to structure financing which best fits the client, business, or project. Lending volume and capacity is impacted by external economic and internal strategy and personnel changes over time. Allowing the patient capital of all on-balance sheet financing to be treated similarly will encourage banks to focus on safe and sound practices for both lending and investing. It may also help to dissuade loan originations, sales and purchases right before or after scheduled examinations.

Question 51. Should financial literacy and housing counseling activities without regard to income levels be eligible for CRA credit?

Comment: Activities which were marketed to and/or intended to include persons within all income ranges should receive CRA credit. Financial literacy and housing counseling are critical for persons of all income levels, and it can be a major challenge to obtain the personal information of attendees to verify that an activity reached primarily LMI persons. We have also noted that income is often not correlated to understanding of many basic credit, debt service, housing, retirement, and other financial concepts. Yet, marketing a financial education opportunity solely to an upper income tract or group is not in keeping with the spirit of CRA or whole community wellbeing. Demonstrating the activity attempted to reach an LMI specific or broader audience that included LMI, regardless of final attendance, should be the key element in the eligibility for CRA credit.

Question 73. In fulfilling the requirement to share CRA strategic plans with the public to ensure transparency, should banks be required to publish them on the regulatory agency's website, their own website, or both? Would it be helpful to clarify the type of consultation banks could engage in with the Board for a strategic plan?

Comment: Banks should be required to publish a notice regarding how to request the proposed strategic plan or the plan itself on its own website, depending on the capabilities of the website. Banks are unable to control the timing, capacity, or coordination within a regulatory agency, which could inadvertently lengthen the comment period and overall approval process.

Question 76. Would guidelines regarding what constitutes a material change provide more clarity as to when a bank should amend their strategic plan?

Comment: Yes, guidelines would provide additional clarity. The guidelines should be suggested and should acknowledge that it is not an all-encompassing list. Ultimately the determination of what is a material change in its own strategy or ability to comply with the approved plan should remain with the bank.

Question 77. Would a template with illustrative instructions be helpful in streamlining the strategic plan approval process?

Comment: Yes, we believe a template would be very helpful for additional banks considering whether a strategic plan would be a fit for their specific business model.

Finally, we would like to express our support for maintaining a strategic plan option, as we believe strategic plans are a critical path for successful reform. We appreciate that the Board asked questions tailored to improving strategic plans with an intent to expand the potential usefulness and adoption of strategic plans by a larger number of banks.

Thank you for your consideration.

Sincerely,

Suzanne Agin

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