

HOWARD UNIVERSITY
SCHOOL OF BUSINESS
DEPARTMENT OF FINANCE, INTERNATIONAL BUSINESS, AND INSURANCE



February 16, 2021

regs.comments@federalreserve.gov

Agency/Docket Numbers:

Regulation BB

Docket No. R-1723

RIN:

7100-AF94

Document Number:

2020-21227

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

Approach to modernize the CRA by strengthening, clarifying, and tailoring the CRA regulations to better meet the core purpose of the CRA.

To Whom It May Concern:

I am Dr. Debby Lindsey-Taliefero, Professor of Economics, Howard University School of Business. My area of research primarily concerns mortgage lending discrimination and housing finance. It is with this background that I offer a few comments to the proposed rule.

The Board should be complemented on its significant effort to strengthen, clarify, modernize, and tailor the CRA regulations in a manner that seeks to address consumer credit and banking needs to in light of today's banking climate, especially as it relates to technological changes.

Question 36. Should consumer loans be evaluated as a single aggregate product line or do the different characteristics, purposes, average loan amounts, and uses of the consumer loan categories (*e.g.*, motor vehicle loans, credit cards) merit a separate evaluation for each?

As an expert witness on auto lending cases I can tell you that the various forms of consumer loans should not be aggregated. The bank needs to have the discipline to organize these loans separately. If the Board does not require it, the bank will not do it.

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

No, such financial literacy should remain targeted.

Question 87. Should the Board specify in Regulation BB that violations of the Military Lending Act, the Servicemembers Civil Relief Act, and UDAAP are considered when reviewing discriminatory or other illegal credit practices to determine CRA ratings? Are there other laws or practices that the Board should take into account in assessing evidence of discriminatory or other illegal credit practices?

Yes, especially UDAAP which incorporates an aspect of predatory lending.

Question 88. Should consideration for an outstanding rating prompted by an investment or other activity in MDIs, women-owned financial institutions, and low-income credit unions be contingent upon the bank at least falling within the “satisfactory” range of performance?

Consideration for an outstanding rating should also be allowed for Special Purpose Credit programs under Regulation B.

Respectfully submitted,

Debby Lindsey-Taliefero, Ph.D.