

Proposal: 1723 (AF94) Reg BB - Community Reinvestment Act

Description:

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From: Wyman Winston

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Subject: R-1723 Community Reinvestment Act

Comments:

NONCONFIDENTIAL // EXTERNAL

I have been involved in CRA since it was approved by Congress. I have seen low income African American communities own savings be used against their neighbors and businesses by banks. The Federal Reserve Board (Fed) must strengthen CRA exams in order to promote recovery from the COVID-19 pandemic. The Fed has described approaches in its Advance Notice of Proposed Rulemaking (ANPR) on CRA that will make CRA exams more objective. Yet, questions remain about whether the Fed's approach will make grading tougher. If nearly every bank continues to pass their CRA exams, banks will not engage in serious efforts to help communities of color and low- and moderate-income (LMI) neighborhoods recover from the pandemic. In a market capitalist society, CRA is the only tool that provide equity in opportunities for America.

I support the Fed's proposals to expand assessment areas, which are geographical areas on CRA exams. In addition to areas around branches, assessment areas must also include areas outside of branches with significant amounts of bank lending or deposit taking. I strongly do not support expanding financial education to any income since LMI consumers and people of color are most likely to be unbanked as revealed by surveys of the Federal Deposit Insurance Corporation (FDIC). Likewise, the Fed should further develop its procedures for awarding CRA credit for financing affordable housing that is unsubsidized so that such financing actually serves LMI residents.

In 2021 Milwaukee's minority and low and moderated income consumers are still confronting lenders who aren't making loans to on perfectly good property that happen to have prices under \$50,000. Don't handicap CRA, instead strengthen it for the betterment of the Americans who have yet benefited from equal access to capital.

Wyman Winston