

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

Description:

---

Comment ID: 137638

From: Sandra Rubin

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

Subject: R-1723 Community Reinvestment Act

---

Comments:

Docket Number R-1723 and RIN Number 7100-AF94

To Whom It May Concern:

I am a retired employee of the U.S. Department & Housing & Urban Development (HUD). During my employment at HUD, I spent over 30 years in its Milwaukee Office of Fair Housing & Equal Opportunity (FHEO). For most of those years Milwaukee stayed in the top 10 metro areas with the greatest mortgage lending gaps among non-minority & minority households. I am not proud of this statistic. An LMI neighborhood is not necessarily a minority neighborhood. Minority households are a significantly greater percentage of the LMI households than their overall percentage in Milwaukee's population. Most of its LMI neighborhoods are also minority neighborhoods. As a result, any redlining has a disproportionate negative impact on Milwaukee minority neighborhoods.

The Federal Reserve Board (Fed) has described approaches in its Advance Notice of Proposed Rulemaking (ANPR) on Credit Reinvestment Act (CRA) that will make CRA exams more objective. If nearly every bank passes their CRA exams, banks will not engage in serious efforts to help communities of color and low- and moderate-income (LMI). To its credit, the Fed is engaging public comment to make the CRA an effective tool to involve banks to improve the vitality of LMI neighborhoods. However the Fed must still strengthen CRA exams.

I have examined the National Community Reinvestment Coalition (NCRC) analysis by Josh Silver dated October 16, 2020. I agree with much of his comments. Particularly, I'm in agreement with the comments regarding fair lending and consumer compliance. I was pleased to see that the Fed will consider downgrades in a CRA rating due to fair lending violations. I assume violations of the Fair Housing Act are part of this rating. After all, the Fair Housing Act prohibits discrimination in mortgage lending.

I believe that large banks that cover many states should have multiple CRA ratings. The bank should have a separate CRA rating for each geographic area it serves. I like the suggestion that a geographic service area be a county. Metro Milwaukee consists of four counties. Two of the counties have LMI households but not defined LMI neighborhoods. If the entire metro area was considered as the service area, a bank might get a good rating without doing a lot of lending or investing in Milwaukee County's LMI neighborhoods. The overall LMI household percentage is different in each of the four counties. So the bank would four CRA ratings - one for county.

My E-mail is rubinstanosz@yahoo.com.

Sandra Rubin