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Comments:

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Your comment:I live in the High Desert community we are part of San Bernardino County, the largest county in the United States. Our region is isolated from the rest of the county due to the HWY 15 intersection. We have very unique needs and unfortunately we get lumped in with the Greater LA area which we are not. Some of the things that we would like the CRA modernization to address include the following:

We need to track the number of cash investors for the High Desert region. Is there a balance between property ownership acquired through cash purchase vs. mortgages? Do the purchases reflect the overall demographics in our region? Financial institutions should adopt programs that make sure that the purchasing trends in the High Desert reflect the demographics.

Financial institutions should track the percentage of first-time homebuyers' loans for the High Desert.

Financial insertions should be required to see an increase in the number of first-time homebuyer loans for their regions. If people are not qualified, then they need to focus on working with community partners to get people ready to qualify.

CRA needs to go back to its roots to help people who were left out of the market due to segregation laws and track the amount of lending vs. the amounts of deposits that financial institutions are doing in the San Bernardino County with a focus on the High Desert region. We want to see proportionate business occur. High Desert residents do not simply want to deposit money they want to see investments made also.

Financial institutions need to invest in service providers and community partners ? invest in human capital.

Financial institutions can bring in experts to build the capacity of the community partners and local nonprofit agencies who have are connected with the community.

Financial institutions need to see an overall investment in people, community partners, nonprofit agencies, education institutions in the Inland Empire.

It is crucial that the financial institutions establish a partnership with community-based organizations that serve the High Desert and IE area and have local ties with the community.

There are projections of growth for the region, school districts receive that information in order to properly prepare for the future of the community, financial institutions should apply the same model and use the projected growth of the community data in order to prepare for the needs of the residents.

In this region, San Bernardino County/Inland Empire/High Desert, people live day by day, this has an impact on people's credit score. This factor should be considered by the federal reserve board as it thinks about how it allows financial institutions to work in assessment areas and the activities that the financial institutions should focus on.

Banks assessment areas should be increased based on their online banking account locations. If a bank has for example 2% of the population based on Census data enrolled in their online bank should have responsibility to support that area through the CRA.

There needs to be a centralized review process of the activities from the community.

Example, the Federal Reserve Board can form regional community oversight committees where local residents can be part of the review process to ensure that the financial institutions CRA qualified activities actually meet the goal of CRA within the region (High Desert & Inland Empire).

Bankers who work in the financial institutions should reflect the community that the serve. Financial institutions should invest in their bankers and have them learn the culture of the community that they serve so they can be responsive to the community needs and make sure that all activities they engage in advance the goal of CRA which is to combat the consequences of redlining.

There is a fragmentation of information for the consumer. The programs that are available to help people get ready into homeownership are not getting into the hands of those people who were most impacted by redlining.

Data that highlights this disparity:

o According to the Census, In the first quarter of 2020, 44 % of black families owned their home, compared with 73.7 % of white families.

o According to University of Utah and Indiana University found black families pay 13 % more in property taxes than a white family in a similar home.

o According to the National Association of Real Estate Brokers The homeownership gap between blacks and whites is larger today than it was in 1934, which is when the Federal Housing Administration [FHA] was established.

o According to Redfin, Census, Lending Tree and Zillow, "there is a 6.15% denial rates for all races compared to 12.64% denial rates for black buyers."

Financial institutions should have a First Time Homeownership Pipeline Program that walks people through the process from financial literacy, credit repair programs, budgeting and connecting to first time homebuyer (FHA) loans. This needs to be a pipeline that follows the person throughout the process through referrals and follow up calls similar to what is done with more affluent customers

Financial institutions need to be connected with the community. This can be done by establishing partnership with community-based organizations that can connect families to the financial institutions and offer the Homeownership Pipeline Programs.

Financial institutions should have programs that focus on credit as that is a key component to homeownership.

Financial institutions should invest in community agencies that work with families and go block by block in designated areas that have a high concentration of poverty and work with families to build their credit. This can be a measurable outcome that the Federal Reserve Board tracks to ensure that the CRA is meeting its goal to combat the consequences of redlining.

Currently banks host homeownership classes, the activity should be modified from banks having the classes to banks investing in community partners/NGOs to host the classes for families since they are in the communities and are trusted by the people who live in those communities.

Shared housing (multiple people buying property together) is a norm for minority communities, this process should be normalized and systematized with financial institutions.

Affordable housing developers used to rely on Redevelopment funds to make their proforma work and the project pencil out. Now that this is not available affordable housing developers are having a hard time in making the financial piece come together. Financial institutions need to identify neighborhoods that need affordable housing and be proactive in the investment that occurs. There needs to be balanced development of affordable housing throughout the state. There has been an increased in development along the coast with little investment happening in the Inland Empire, San Bernardino County and High Desert region.

More investment capital needs to occur in San Bernardino County (Inland Empire area). San Bernardino County is the largest county in the United States. The county is larger than some states and we are currently lumped in with the Greater Los Angeles (LA) area.

Additional dollars are needed in San Bernardino County.

This economic crisis highlighted the fact that Small African American/Black owned businesses

DO NOT have a relationship with their bank. This led them to not take full advantage of the small business recovery programs made available. This will lead to African American/Black owned business to fail and hurt the overall economy of the region.

Financial institutions need to track the number of small business loans given to minority owned businesses (African American/Black; Hispanic/Latinx) especially during the COVID-19 crisis.

Financial institutions should invest in financial education and business planning for small businesses and minority owned businesses.

Financial institutions should work with small business coalitions and chamber of commerce to provide certifications to ensure the services are not usurped by others. The process should be made available to people that complete the process and/or program not at a charge. For example, a Minority Owned Business Certificate in California currently costs $2,000.

Many people will have less money to spare for down payments and will have poor credit scores. Financial institutions need to come up with a plan to address this and help people build wealth through homeownership and open small businesses even though these traditional indicators may classify people as a risk.

Financial institutions need to modify the indicators and/or come up with programs to help people access the capital with a safety net that protects the individual, community and overall economy.

There is a wave of people with high incomes coming to San Bernardino County and High Desert that are purchasing homes at above market value offering cash or conventional loans this is making the FHA loans unattractive. Financial institutions need to be ready to respond to this. This is displacing people, making people housing insecure and leading to an increase in homelessness.

CDFIs are a great way to build relationships with local communities to get more investments into residents. Allowing financial intuitions to work with CDFIs can work. However, in San Bernardino County, the largest county in the United States, there is only one (1) CDFI.

AmPac Tri State is the only one CDFI in San Bernardino County it is located in the city of San Bernardino about 50 miles from the High Desert community where there is a high need for investment. This is a summary of ideas that have flourished based on my lived experiences, my professional experience as an Urban Planner and in speaking with my community. I am very active and I hear and see the high needs of the low income families that live in my High Desert region.

Respectfully,
Stephanie Pazarin