

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

Description:

Comment ID: 137770

From: Springfield Urban League, Nina Harris

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Subject: R-1723 Community Reinvestment Act

Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Federal Reserve System,

We at the Springfield Urban League appreciate the Federal Reserve Board encouraging public input on ways to modernize and improve the Community Reinvestment Act (CRA).

We believe it is essential to ensure that those banks who receive good and satisfactory ratings under the CRA are actually making good progress toward remedying the structural disinvestments in our communities. We must make sure that a good rating is not given out only IF the institution is making good, not adequate but good progress on accomplishing the goals and intent of the CRA. The current rating system is lacking in that many banks engage in little to no commitment towards community reinvestment but receive good or satisfactory grades.

In order to redress the historic racial inequities that underline redlining, destroying community wealth or at least limiting to wealth, through lack of access to credit, we need a lasting and real commitment towards increasing lending access to communities of color. Black communities need affordable mortgage and home equity loans, as well as affordable and flexible small business credit, savings, and loan products that create a foundation for sustainable small businesses.

We at the Springfield Urban League believe that an the CRA that focus on racial equity. Data consistently shows that if income is controlled for as a variable, loan denials correlate to race. We believe that it is important to also count the number of loans, not only the amounts that are going to black people. We also believe it is essential to not conflate low income with African American status.

Sincerely,
Nina Harris