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Comments:

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We believe that a regulatory rulemaking should address the following areas:
Assessment Areas While some banks still issue loans predominantly through branches, others make the majority of their loans through brokers and other non-branch means. We ask the agencies to define assessment areas as any state, metropolitan area or rural county where that institution maintains retail office or is represented by an agent, or has at least a 0.5 percent market share
Mandatory Inclusion of Mortgage Company Affiliates on CRA Exams We believe the agencies have the authority to include all non-depository affiliate lending on CRA exams to ensure that the lending affirmatively responds to credit needs in a safe and sound manner.
Include Bank Lending and Service to Minorities on CRA Exams Given the evidence of lending disparities by race, we believe that CRA exams must explicitly examine lending and services to minority borrowers and communities.
CRA Exam Ratings and Weights The agencies should introduce Low and High Satisfactory as possible ratings in addition to the four existing ratings. In addition, the agencies should develop better weighting systems so that routine investments like purchasing loans on the secondary market do not receive as much weight as more difficult investments such as equity investments in small businesses. Specifically, we support the following recommendations:
1. Require public improvement plan for low ratings
2. Rate banks on a numerical scale of 1 to 100, and define ratings based on those scores to improve ratings transparency
3. Improve criteria for Satisfactory and Outstanding ratings. For example reward diversified grant-making strategy, special consideration for financial institutions that develop local or regional CRA agreements
Finally, we believe that the recent changes went too far in making exams too easy for mid-size banks. Rigorous exams encourage more safe and sound lending from institutions. Modernize the CRA Services Test Simply because a branch is located in a lower- income community does not automatically mean that the bank is offering retail products

appropriate for low-wealth consumers or effectively reaching those consumers with its existing products. We recommend disclosure, collection, and consideration of information on account holders, accounts, and transactions including such critical variables as census tract location, account holder, number of new accounts opened, age of account, and percent of bank income generated by fees. Fair Lending Reviews The agencies must also boost the rigor of the fair lending reviews that probe for evidence of illegal and discriminatory lending. In addition, the concept of illegal and discriminatory lending must be expanded to include unsafe and unsound lending. CRA Enforcement Mechanisms Additional enforcement mechanisms are needed. For example: 1. If a bank receives a low satisfactory or lower, require a public improvement plan. 2. For financial institutions that still do not improve, prohibit sale of mortgages to the GSEs or contracts with federal agencies, and/or pay any applicable fines to a national reinvestment fund. 3. Favorable consideration should be given to banks that enter into local or regional CRA agreements with community organizations.

----- Housing Action Illinois is a statewide coalition formed to protect and expand the availability of decent, affordable housing throughout Illinois. In communities throughout Illinois, decent housing is increasingly out of reach. The lack of affordable housing can destabilize communities, disrupting family life, education, and employment. At Housing Action Illinois, our members include housing counseling agencies, homeless service providers, developers of affordable housing and policymakers. Together we empower communities to thrive through policy advocacy, education and the allocation of resources. At Housing Action Illinois our sponsors, participants and members agree that a stronger Illinois begins at home.