

May 14, 2013

Board of Governors of the Federal Reserve System
Via email: regs.comments@federalreserve.gov
Docket No. OP-1456

Office of the Comptroller of the Currency
Via email: regs.comments@occ.treas.gov
Docket ID OCC-2013-0003

Federal Deposit Insurance Corporation
Via email: Comments@FDIC.gov

**RE: Community Reinvestment Act; Interagency Questions and Answers Regarding
Community Reinvestment Act; OCC-2013-0003; Docket No. OP-1456**

Ladies and Gentlemen:

We appreciate the opportunity to provide comment on the proposed revisions to the Interagency Questions and Answers Regarding Community Reinvestment Act (“CRA Q&As”). Mutual of Omaha Bank is a growing bank committed to serving our communities and low- and moderate-income individuals through a variety of targeted lending, financial education, and community improvement programs. As a thrift institution, we support the Agencies’ efforts to improve the CRA Q&As, but believe some additional modifications and clarifications are needed to ensure the greatest impact and value to our customers and our communities. We offer the following comments for your consideration:

- **Proposed New Q&A: Section II - Community Development Lending in the Lending Test Applicable to Large Institutions**

To address concerns that community development lending may not be given sufficient weight by regulators, the agencies have added a CRA Q&A that attempts to clarify that community development lending will always be a factor in a CRA rating and that an institution’s record in community development lending may have a positive, neutral or negative impact on the institution’s lending test.

However, the text of the proposed new Q&A creates ambiguity by broadly discussing community development lending as positive, neutral, negative, not adequate, weak, or strong. The text also states, “when an institution is a leader in community development lending,” but does not clarify whether this means “leader” compared to similarly situated institutions, large banks and savings associations, or all banks evaluated for CRA community development. The Agencies should provide clear and consistent guidance concerning any change to the approach to valuing community development lending.

- **Proposed Revisions to Existing Q&A: Section III - Community Services Targeted to Low- or Moderate-Income Individuals**

Part of the community development test is the provision of community services for low- and moderate-income individuals. In an attempt to overcome some confusion in the current rules over what individuals qualify as low and moderate, the Agencies are proposing that services to individuals who receive Medicaid will qualify. They also propose that services related to schools in which a majority of the students receive free or reduced price meals under the USDA National School lunch program will qualify.

We believe the guidance should be further expanded to include eligibility for individuals who fall below the Census Bureau's poverty thresholds, the Department of Health and Human Services poverty guidelines, or general state poverty guidelines. The use of eligibility for free and reduced-price meals and Medicaid improves an institution's opportunities for identifying individuals who are low- or moderate-income. However, some organizations are only able to identify the population served as being "below poverty level." The expanded eligibility guidelines would reduce the burden on financial institutions and community organizations with which we work and would ensure appropriate services are available for those most in need.

Mutual of Omaha strongly believes in the importance of community development lending but find some of the proposed CRA Q&As are not clear and consistent and therefore will not have the intended impact.

Once again, we appreciate the opportunity to comment on this very important issue and are available for further discussion. Thank you for your consideration.

Respectfully submitted,



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Mutual of Omaha Bank