

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

Description:

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Comment ID: 137353

From: University of Michigan, Lesli Hoey

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Subject: R-1723 Community Reinvestment Act

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Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Secretary Misback,

I'd like to submit formal comments regarding proposed changes intended for Modernizing the Community Reinvestment Act (CRA), Docket No. R-1723 and RIN 7100-AF94. As an anti-redlining rule for banks to serve all the communities in their assessment areas, this Act is critical for rebuilding so many neighborhoods and communities that have been left behind by our banking system (and government system) for too long. I applaud efforts to improve the Act, but am concerned that there is an assumption that everyone has access to mobile phones and is using them to conduct bank transactions. This is clearly not true for many low-income and minority communities, nor the banks that serve them.

It's critical that this digital divide does not become a barrier to ensuring equitable access to our nation's banking system. There is a need for context and community sensitive third-party vendors, as community banks generally do not have the band-width to meet all of the technological advances like digital underwriting, compliance, internet banking services, and so many other services that depend upon technological advances.

Small community banks outsource many of their transactional services for their customers and there are many issues that the new modernization CRA proposed regulation does not address. This will continue to be an important issue for small farmers, small businesses, self-employed individuals and of course, mortgage lending for low-income, minority and women accessing credit and loan products.

Community economic development in left-behind communities relies on Community Development Financial Institutions, Credit Unions and Banks (minority deposit institutions, community-small rural banks, medium sized regional banks and of course, the large players). Community Development Financial Institutions, and Credit unions are not covered by the CRA...only banks accepting deposits. Please reconsider the changes being proposed to the CRA to address these critical issues that will be a set back for equitable economic development if left unaddressed.

With kind regards,

Lesli Hoey

[image: <http://taubmancollege.umich.edu/>]

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