701 Reading Ave
West Reading, PA 19611

February 16, 2021

Board of Governors of the Federal Reserve System
20th Washington Street and Constitution Avenue NW
Washington D.C. 20551

**Re:** Community Reinvestment Act Regulations - Request for Public Input

Dear Ms. Misback:

Customers Bank ("Bank") appreciates the opportunity to comment on the Advanced Notice of Proposed Rulemaking ("ANPR") issued by the Board of Governors of the Federal Reserve System ("Board") seeking public comment on the regulations implementing the Community Reinvestment Act ("CRA"). The Bank, its Board of Directors, and Executive Management understand the importance to provide banking services to the communities we serve and take pride in helping to make a difference in those communities. The Bank agrees modernization of the CRA is necessary as there has been significant advancements in technology allowing customers to perform banking services from almost anywhere thus reducing the need to visit a branch. The Bank appreciates the consideration by the Board to the following comments related to the ANPR.

***Section III Assessment Areas:***

*Question 7: Should banks have the option of delineating assessment areas around deposit-taking ATMs or should this remain a requirement?*

*Bank Comment:* With the evolution of banking, in particular the ability to make a mobile deposit virtually anywhere through the use of a smartphone, customers are able to make a deposit outside of current assessment areas without the use of a deposit taking ATM. We recommend the Board provide a threshold and/or input as to when a deposit taking ATM outside of a bank's footprint should require an assessment area. An alternate option is to allow banks the ability to conduct analysis to determine and provide justification on why or why not a deposit taking ATM would require the addition of an assessment area.

Further guidance is requested if the Board makes the decision to continue to require the delineation of an assessment area around a deposit taking ATM outside of a bank's current footprint. Specifically, the request is to provide direction as to how a bank will be examined

from a lending, service and investment test standpoint from an area that sees minimal activity from a deposit taking ATM.

***VI. Retail Lending Subtest Definitions and Qualifying Activities***

*Question 37. Should the Board continue to define small business and small farm loans based on the Call Report definitions, or should Regulation BB define the small business and small farm loan thresholds independently? Should the Board likewise adjust the small business and small farm gross annual revenues thresholds? Should any or all of these thresholds be regularly revised to account for inflation? If so, at what intervals?*

The Bank agrees it is time to address the thresholds of small business and small farm loans and doing so through an independent definition of each within Regulation BB is the most appropriate method. The Bank agrees with the input from other industry stakeholders in relation to the need to raise the loan threshold from $1 million or less to a larger amount; however, rather than the $2 million suggested by others within the industry the Bank recommends a loan amount threshold of $3.5 million or less with the ongoing approach to review and adjust the threshold periodically.

Likewise, the Bank agrees with the proposal that the gross annual revenue thresholds for small business and small farm loans be adjusted as well. This figure should also be analyzed on a periodic basis to determine the adjustment, but the $1.65 million figure noted in the ANPR seems appropriate at this time.

We recommend the threshold adjustments for both areas be reviewed and adjusted as necessary every three to five years.

Sincerely,

Billy Seitz
Director of Consumer Compliance and CRA Officer