



February 16, 2021

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Re: Comments on ANPR Docket No. R-1723 RIN 7100-AF94

To Whom It May Concern:

North Brookfield Savings Bank appreciates the opportunity to comment on the Advanced Notice of Proposed Rulemaking issued by the Board of Governors of the Federal Reserve System ("Board") seeking public comment on the regulations implementing the Community Reinvestment Act. We welcome the opportunity to comment and thank the Board for undertaking the process of reviewing the existing CRA regulations with a focus on improvement and modernization.

We applaud the Board's attempts to increase the clarity, consistency, and transparency of supervisory expectations of CRA compliance requirements through the proposed rule. We encourage the Board to continue to allow small banks to define assessment areas by census tracts opposed to whole counties. We also agree to allow small banks to choose to have their retail lending activities evaluated under the current examination procedures. Finally, we urge the Board to consider increasing the proposed large bank threshold to over \$1 billion to keep in line with the current definition.

This letter includes our comments on three specific ANPR questions:

*Question 5. Should facility-based assessment area delineation requirements be tailored based on bank size, with large banks being required to delineate facility-based assessment areas as, at least, one or more contiguous counties and smaller banks being able to delineate smaller political subdivisions, such as portions of cities or townships, as long as they consist of whole census tracts?*

We support the proposal to allow small banks to continue to define assessment areas that include partial counties, including portions of cities or towns, as long as they are composed of at least whole census tracts. We further agree with the Board's proposal to provide greater clarity that a small bank would not be required to expand the delineation of an assessment area to include parts of counties where it does not have a physical presence and where it either engages in an insignificant amount of lending or there is substantial competition from other institutions. It would further benefit small banks to clarify the limited circumstances under which a small bank would be asked to expand its assessment area.

*Question 11. Is it preferable to make the default approach for small banks the current framework, with the ability to opt in to the metrics-based approach, as proposed, or instead the metrics-based approach, with the ability to opt out and remain in the current framework?*

We agree with the Board's proposal to allow small banks, by default, to have their retail lending activities evaluated under the current examination approach, with the ability to opt in to the proposed metrics-based approach at their choosing.

*Question 13. Is \$750 million or \$1 billion an appropriate asset threshold to distinguish between small and large retail banks? Or should this threshold be lower so that it is closer to the current small bank threshold of \$326 million? Should the regulation contain an automatic mechanism for allowing that threshold to adjust with aggregate national inflation over time?*

The threshold for defining a large bank under CRA should remain over \$1 billion, and closer to the current definition differentiating between a small intermediate and large bank. Although we favor the proposal to eliminate the current intermediate small bank category to reduce complexity and create more consistent evaluation standards, lowering the large bank threshold to \$1 billion or below would be extremely burdensome to more community banks compared to the approach used today.

North Brookfield Savings Bank appreciates the opportunity to present these comments and urges the Board to consider the importance of community banks when modernizing their CRA regulations.

Sincerely,



Patricia A. Bernard  
SVP/Compliance Officer