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Docket Number R-1723 and RIN Number 7100-AF94

To Whom it May Concern:

On behalf of Consumer Credit Counseling Service of Maryland and Delaware, Inc. (CCCSMD) and its thousands of clients, we join other community groups in supporting the Federal Reserve Board (Fed) call to strengthen CRA exams in order to promote recovery from the COVID-19 pandemic. The Fed has described approaches in its Advance Notice of Proposed Rulemaking (ANPR) on CRA that will make CRA exams more objective. Yet, questions remain about whether the Fed's approach will make grading tougher. If nearly every bank continues to pass their CRA exams, banks will not engage in serious efforts to help communities of color and low- and moderate-income (LMI) neighborhoods recover from the pandemic.

As a community-based nonprofit housing and credit counseling agency headquartered in Maryland for the past 55 years, we strongly support any measures by the Fed, as well as any other regulators, to strengthen communities through the CRA and its unique focus on community stability, racial equity and economic well-being.

NCRC recently released a report finding a strong relationship between redlining and susceptibility to COVID. Redlined neighborhoods have the highest levels of health conditions such as asthma, diabetes and kidney disease, which make residents more susceptible to COVID-19. Life expectancy is almost four years lower in the redlined communities than anywhere else.

Since the start of the pandemic, almost 50% of African American businesses have been closed compared to just 20% of White-owned small businesses. Discrimination in lending contributes to these differences in survival rates.

CRA must be strengthened in order to combat discrimination. The Fed emphasizes improving the performance measures on CRA exams including those used on the lending test that compare a bank's percent of loans to LMI borrowers to other lenders. The Fed does not describe in detail the impact of its reforms on CRA ratings except to hint that banks may continue to receive the same grades.

Moreover, the Fed is proposing to reduce the number of ratings on a state level and on subtests from five to four. This proposal would result in fewer distinctions in performance whereas new CRA exams

must reveal more distinctions in order to motivate banks to be more responsive to COVID-19 recovery needs. Five ratings must be retained on the state level and on subtests.

The Fed asks whether underserved areas should be designated based on high levels of poverty or low levels of retail lending. NCRC advocated an approach based on low levels of lending which would effectively target redlined neighborhoods and communities of color, and we support this.

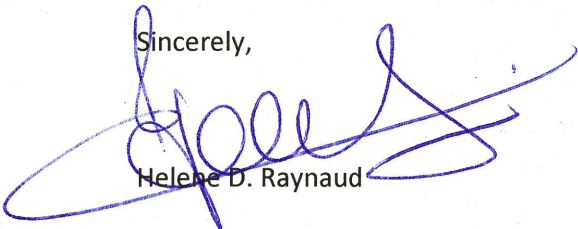
In the interest of reaching underserved areas, we strongly support the Fed's proposals to improve data collection including community development financing data, which would better enable stakeholders to determine communities most in need.

We support the Fed's proposals to expand assessment areas, which are geographical areas on CRA exams. In addition to areas around branches, assessment areas must also include areas outside of branches with significant amounts of bank lending or deposit taking.

Finally, we applaud the Fed proposal to eliminate distinctions in the rigor of examination among assessment areas that have resulted in banks neglecting smaller cities, rural counties and Native American reservations.

We appreciate the direction the Fed has embarked upon but caution that it must not end up with proposals that replicate existing CRA ratings inflation as this will not help our communities devastated by COVID-19.

Sincerely,



Helene D. Raynaud

President/CEO