



February 16, 2021

RE: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations, Docket Number R-1723, RIN Number 7100-AF94

To Whom It May Concern:

On behalf of the Mental Health America, I would like to convey my support of the Federal Reserve's Advanced Notice of Proposed Rulemaking (ANPR) on the Community Reinvestment Act (CRA). We believe that the proposed changes to the Community Reinvestment Act regulations outlined in the ANPR by the Federal Reserve Board will build upon and enhance the current CRA regulations, not tear them down as the final rule of the Office of the Comptroller of the Currency does.

Founded in 1909, MHA is the nation's leading community-based nonprofit dedicated to addressing the needs of those living with mental illness and promoting the overall mental health of all. MHA's work is driven by its commitment to promote mental health as a critical part of overall wellness, including prevention services for all; early identification and intervention for those at risk; integrated care, services, and supports for those who need them; with recovery as the goal. MHA recognizes that individuals with mental health conditions are disproportionately lower income and served by the CRA, and that the economic opportunity and stability that the CRA promotes is critical to recovery and health equity for individuals with mental health conditions.

The Federal Reserve Board ANPR proposes to build upon the existing CRA exam structure of separate tests for retail and community development activity. Separate tests are needed in order to ensure banks are responding adequately to the variety of local needs. The board is exploring how to create assessment areas, geographical areas on CRA exams that receive ratings, that will capture lending and deposit-taking activity outside of branch networks.

The board's ANPR follows a final CRA rule issued in May 2020 by the Office of the Comptroller of the Currency (OCC). The OCC's rule would decrease lending, investment and services in low- and moderate-income (LMI) communities by over-simplifying performance measures on CRA exams and broadening what counts on CRA to include activities that either partially or tangentially benefit LMI communities, including infrastructure like major bridges that may not be in or near LMI communities.

As the leading mental health advocacy organization, we know (and much research supports) that 60% of health outcomes can be attributed to social and environmental conditions, such as affordable and stable housing, income, job opportunity, proximity to healthy food options and education. This is especially true for mental health, as these forces impact toxic stress and adversity, which in turn affects risk for the onset of mental health conditions. Stable housing, in particular, is a cornerstone of optimal mental health, as individuals can make better progress in their recovery when they have a safe and consistent place to live. In order to best promote health, we need healthy housing, steady job growth, decent schools, and green spaces in our communities. A strengthened CRA is needed to encourage banks to make loans and investments for affordable housing, community facilities and local small businesses. While we appreciate the Federal Reserve's overall approach, we are concerned that the board must ensure its tests and performance measures do not end up replicating the high pass rates and ratings that banks

currently receive and that do not reveal much distinctions in performance. Banks will be encouraged to increase their loans and investments in neighborhoods only if the final regulation produces rigorous exams.

In addition, we applaud the board's proposals to improve the publicly available CRA data. In particular, community development activities will be increased if banks are held accountable via publicly available data. This data would reveal how many loans and investments banks are making in the various categories of community development compared to their peers.

We believe that this proposal serves as an important starting point for an interagency rulemaking that will strengthen CRA and take an important step towards more financially resilient communities and an equitable recovery. Thank you for providing this opportunity for MHA to comment on this critical rulemaking.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathaniel Z Counts". The signature is fluid and cursive, with a large initial "N" and "Z".

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