

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: Public Comments on Docket No. R-1723 RIN 7100-AF94**

Dear Ms. Misback,

I am writing on behalf of the Urban Redevelopment Authority of the City of Pittsburgh (URA) with public comment regarding the advance notice of proposed rulemaking (ANPR) on modernizing the regulatory framework of the Community Reinvestment Act (CRA). As banking and lending practices modernize, it is a necessary step to modernize the CRA to reflect these new realities and provide adequate tools to continue to be impactful. This is especially true as the URA works to counter the adverse impacts of COVID-19 on the most vulnerable populations of Pittsburgh. However, while the motivation behind the ANPR and the admitted need for a modernized CRA regulatory framework are encouraging, the URA believes that the proposal must be strengthened so that the positive strides the CRA has allowed the city to make since its implementation four decades ago can be maintained and built upon.

The ANPR sets out positive goals for strengthening regulations and updating metrics collection, but the URA stands in opposition to some of the specifics of how the rulemaking proposal attempts to reach these goals. Specifically, we oppose the proposed reduction of the number of ratings on the subtests from five to four because lowering the amount of ratings would reduce the CRA's ability to hold lending institutions accountable. We believe any new rules should increase the CRA's capacity to account further for community nuances instead of decreasing it. And while the proposal to improve community development and deposit data is of utmost importance to the URA, we must urge that this data be collected at the census tract level. This would reflect which areas are most in need and assist the URA's goals of fostering equitable development in those tracts. Also, the URA strongly supports increasing incentivization for financing community development financial institutions (CDFIs) but believe the evaluation of credit from their investments should occur through local geographic assessment areas rather than national assessment areas.

Despite these points, the ANPR includes some ideas that the URA supports. These include our support for the expansion of assessment areas on CRA exams, as well as proposals to designate underserved census tracts based on low levels of lending instead of high levels of poverty. We believe extending assessment areas will be crucial for successful future implementation of CRA regulatory tests, and that making low levels of lending the measure of underserved tracts will more effectively target

neighborhoods impacted by redlining. Additionally, the URA supports the ANPR's language describing the need for CRA oversight of online lenders. Greater enforcement of updated CRA assessments on mobile banking will be critical to hold lenders responsible for their real impacts on modern communities, especially in places where they do not have a physical presence and can currently avoid traditional location-based CRA rules.

The URA believes firmly in the potential for an impactful modern CRA and believes that it can continue to assist in the URA's work to ensure equitable investment in our communities, if done correctly. The Federal Reserve's ANPR presents positive goals, however the new rules must be go further in order to hold lending institutions accountable for their impacts on historically disadvantaged communities. Please contact David Geiger ([dgeiger@ura.org](mailto:dgeiger@ura.org)) on my staff with any additional questions.

Sincerely,



**Greg Flisram**

Executive Director

Urban Redevelopment Authority of Pittsburgh