



February 16, 2021

Via Electronic Mail

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

**Re: Community Reinvestment Act Advance Notice of Proposed Rulemaking  
Docket No. R-1723; RIN 7100-AF94**

Dear Ms. Misback:

AARP, on behalf of our nearly 38 million members and all older Americans nationwide, appreciates the opportunity to provide comments on the Advance Notice of Proposed Rulemaking regarding the Community Reinvestment Act (CRA) by the Federal Reserve Board.

AARP urges that any revised CRA regulations preserve and promote the following objectives of particular concern to older Americans:

- 1) Provide credit for the development of innovative housing types dispersed throughout the community to enable older homeowners to relocate to more suitably sized, affordable housing with access to transportation;
- 2) Offer affordable financing for older individuals to make necessary alterations to their homes and to cope with the costs of home maintenance;
- 3) Offer protections to residents of low- and moderate-income (LMI) communities who face displacement as older neighborhoods are redeveloped;
- 4) Ensure that older adults continue to have access to conveniently located local bank branches serving their needs; and,
- 5) Encourage flexible servicing practices for older LMI borrowers, particularly in light of COVID-19 and related economic distress.

With respect to all these goals, AARP urges that the CRA regulations prioritize banks' basic obligation to meet "the credit needs of its entire community, *including low- and moderate-income neighborhoods*"<sup>1</sup> over the goal of adopting simpler compliance metrics.

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<sup>1</sup> 12 U.S.C. 2903(a)(1) (emphasis added).

## **Disparate Economic Outcomes that Gave Rise to the CRA Continue to Cause Concern**

The CRA addresses persistent systemic inequity in the financial system for low- and moderate-income persons and communities with a framework to facilitate a financial ecosystem that supports LMI and minority access to credit and community development. Congress enacted the CRA in 1977 primarily to address decades of disinvestment, redlining and other discriminatory lending practices in predominantly minority urban neighborhoods. However, bias throughout the lending and buying processes continues to affect homeownership.

The homeownership rate is one of the most profound indicators of the racial wealth divide. According to the Harvard Joint Center for Housing Studies, the homeownership gap between white and Black households was 30.6 percent in 2019, the largest disparity since 1983.<sup>2</sup> Similarly, the homeownership gap between white and Hispanic households was 26.7 percent.<sup>3</sup>

The disproportionate impact of the foreclosure crisis on Black and Hispanic homeowners also contributes to this gap. From 2007 to 2011, Black and Hispanic borrowers age 50 and older with prime mortgage loans experienced foreclosure rates that were nearly double the rate of white borrowers. Older Hispanic borrowers with subprime loans had the highest foreclosure rates, but borrowers of all races/ethnicities experienced high rates of foreclosures on subprime loans.<sup>4</sup> The homeownership rate for Black households ages 55–64 fell from a peak of nearly 67 percent in 2005 to just 53.6 percent in 2019, resulting in a gap of 28 percent with white homeowners in this age group. In the 65 and over age group, the homeownership rate for Black households peaked at 71 percent in 2003 and then dropped to about 59 percent in 2019—doubling the gap to nearly 25 percentage points.<sup>5</sup>

## **CRA Should Help Transform Communities with Aging Infrastructure, Buildings, and Populations into Vibrant Places to Live and Work**

As evaluated by AARP’s Livability Index, many communities lack key livability features.<sup>6</sup> This is an increasingly urgent problem, given the importance of housing and mobility to an aging American population. Approximately 45 million Americans are now age 65 or older. By 2030, this number will increase to 73 million – or one in five – Americans. Within four additional years, the American population is projected to have greater numbers of older people than

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<sup>2</sup> Harvard Joint Center for Housing Studies, State of the Nation’s Housing 2020 26, [https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_The\\_State\\_of\\_the\\_Nations\\_Housing\\_2020\\_Report\\_Revised\\_120720.pdf](https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf).

<sup>3</sup> HJCHS, Interactive graph <https://www.jchs.harvard.edu/son-2020-homeownership-gap>.

<sup>4</sup> Lori A. Trawinski, “Nightmare on Main Street: Older Americans and the Mortgage Market Crisis,” AARP Public Policy Institute, July 2012.

[https://www.aarp.org/content/dam/aarp/research/public\\_policy\\_institute/cons\\_prot/2012/nightmare-on-main-street-AARP-ppi-cons-prot.pdf](https://www.aarp.org/content/dam/aarp/research/public_policy_institute/cons_prot/2012/nightmare-on-main-street-AARP-ppi-cons-prot.pdf)

<sup>5</sup> *Id.* at 26.

<sup>6</sup> See Livability Wins, AARP Livable Communities, <https://www.aarp.org/livable-communities/about/info-2014/media-mentions-and-awards.html>; AARP Livability Index, <https://livabilityindex.aarp.org>.

children for the first time ever.<sup>7</sup> By 2038, households age 80 and over will number 17.5 million and account for 12 percent of all households.<sup>8</sup>

The aging population means housing and mobility needs will dramatically change in the coming decades. Well-designed, age-friendly communities foster economic growth and enhance the well-being and physical health of residents of all ages. Banks should engage in activities that meet the needs of local communities to provide a variety of affordable and adaptable housing options dispersed throughout the community. These activities should support convenient transportation options for older individuals who may no longer drive; enhance walkable access to essential goods, services, and healthcare; and encourage opportunities for social connectedness and community engagement.

AARP's Livable Communities Initiative offers a model for accomplishing these goals. Local leaders, some local banks, and others have engaged in a continuing process of assessing community needs and then planning, implementing, and evaluating long-term and short-term goals and investments. AARP urges oversight agencies to encourage banking institutions to similarly engage in enduring partnerships with local stakeholders to understand and address the banking, housing and credit needs of local communities, particularly lower- and moderate-income individuals living in LMI neighborhoods.<sup>9</sup>

### **The Need for Suitable Housing, Transportation Links, and Access to Funds for Maintaining and Repairing Homes**

The list of eligible activities should include support for the development of housing options that are affordable, adaptable, and better suit the needs of aging homeowners.<sup>10</sup> As people age, they increasingly live alone, have lower incomes, drive less, and are at greater risk of developing physical and mental impairments and health conditions for which they need supports, services, and accessible housing features to enable them to remain in their communities.<sup>11</sup>

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<sup>7</sup> U.S. Census, <https://www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html>.

<sup>8</sup> Harvard Joint Center for Housing Studies, *Housing America's Older Adults 2019*, [https://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_Housing\\_Americas\\_Older\\_Adults\\_2019.pdf](https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Housing_Americas_Older_Adults_2019.pdf).

<sup>9</sup> *Id.* at 11 (“Providing the types of housing and neighborhoods needed by an aging population depends on concerted action by both the public and private sector . . . the time for more comprehensive, innovative policies—in the design, financing, construction, and regulation of housing, in urban planning and design, and in the provision of community services—is now. The quality of life and wellbeing of a third of US households depend on it.”)

<sup>10</sup> Examples include Accessory Dwelling Units and other types of manufactured housing, and housing with supports and services. *Id.*; Make Room for 'Making Room', AARP and the National Building Museum, <https://www.aarp.org/livable-communities/housing/info-2018/making-room-housing-for-a-changing-america.html>; AARP Livable Communities, All About Accessory Dwelling Units, <https://www.aarp.org/livable-communities/housing/info-2019/accessory-dwelling-units-adus.html>.

<sup>11</sup> High housing cost burdens can result in hunger and food insecurity, reducing consumption of needed medications and other health care treatment, inadequate and unhealthy levels of heating and cooling, and utility shut offs *Housing America's Older Adults 2019, supra*, at 9.

One effect of the pervasive shortage of affordable housing is that it sustains rents at high rates that disproportionately burden older renters.<sup>12</sup> The shortage of affordable housing options may also limit opportunities for older homeowners to move to more suitably sized housing in their community that has universally designed features and provides better access to the goods and services they need to live independently. A high percentage of older households continue to reside in the aging homes in which they raised their families. These homes are now over 40 years old, too large for their needs, and difficult and expensive to maintain.<sup>13</sup> Lack of financial resources forces them to defer maintenance, weatherization, and necessary repairs, which in turn lowers their home's equity and further increases their housing cost burdens. In turn, this also subjects owners to potentially costly future financial shocks such as a plumbing emergency or roof repair.

Financing support for transportation will also be key. Many older individuals live in low-density neighborhoods without convenient transportation options.<sup>14</sup> When older individuals no longer drive, they may find it extremely difficult to access needed goods and services, and may become socially isolated.<sup>15</sup> Serving the healthcare needs of older individuals living in low-density neighborhoods can be more expensive, as providers must also rely on private transportation.<sup>16</sup> This can result in fewer available services. Whether the answer for any particular community is to pursue transit-oriented development, build new transportation systems, or locate grocery stores, banks, and other services within walking distance to housing, banks should be engaged at the local community level to better understand specific community needs and find solutions.

### **Banks Receiving CRA Credit for Community Development, Infrastructure, and Redevelopment Projects Should Be Required to Protect Long-Term Residents from Displacement**

AARP urges oversight agencies to encourage financial institutions to exercise their influence over large-scale community development, redevelopment, and infrastructure projects in a manner that protects the residents who face displacement. For displaced persons, particularly those in the

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<sup>12</sup> One measure of excessive cost burden is paying over 30 percent of income on housing. In 2017, 72 percent of renters earning less than \$15,000 were cost-burdened, as were 50% of making between \$30,000 and \$44,999. Among owners age 65 and over, 79 percent of households with incomes under \$15,000, 45 percent of homeowners earning \$15,000–29,999, and 14 percent of owners with incomes of at least \$30,000 were cost burdened. *Id.* at 8-9.

<sup>13</sup> *Id.* at 2 (“Of the 24 million homeowners age 65 and over, fully 80 percent lived in detached single-family units in 2017. The majority of these homes are now at least 40 years old and therefore may present maintenance challenges for their owners.”).

<sup>14</sup> *Id.* at 3-4. (“Nearly a third of households age 65 and over lived in low-density communities in 2017, and their numbers have been rising rapidly. Indeed, the number of retirement-age households residing in the least-dense third of metro areas jumped 61 percent from 2000 to 2017, to 9.0 million.”).

<sup>15</sup> UCLA Lewis Center for Regional Policy Studies, *Bolstering Mobility And Enhancing Transportation Options For Low-Income Older Adults* iv, [http://www.lewis.ucla.edu/wp-content/uploads/sites/17/2018/10/UCLALewisCenter\\_AARP\\_2018.pdf](http://www.lewis.ucla.edu/wp-content/uploads/sites/17/2018/10/UCLALewisCenter_AARP_2018.pdf) (“Limited mobility negatively affects social relationships among older adults by reducing opportunities to socialize and often by forcing them to rely on others for assistance in order to reach important destinations.”).

<sup>16</sup> *Id.* at 4 (“To reach these households, healthcare workers and other service providers must travel considerable distances and have few transportation options other than cars. In addition, primary healthcare providers are often in short supply in rural communities.”).

lower income quintiles, affordable housing options may not be available nearby, forcing them to seek housing in distant neighborhoods and communities, or even out of state. In these new and unfamiliar locales, they confront the challenges presented by a lack of social support, employment and a personal healthcare provider. Displaced low-income individuals may face homelessness if they cannot afford relocation costs or be trapped in substandard and/or overcrowded dwellings. Further, inappropriate and harmful nursing home placement may result from displacement.

The burdens of displacement regularly have a racially disparate effect. The risk of discriminatory displacement is especially acute in the communities where *de jure* and *de facto* segregation policies, including “redlining,” persisted unaddressed until the Fair Housing Act was enacted in 1968.<sup>17</sup> Historically redlined neighborhoods have been continuously starved of credit and other wealth-building resources, leaving them saddled with an abundance of deteriorated buildings and infrastructure, obsolete and abandoned housing, inadequate transportation, environmental hazards, and other intractable problems. Such conditions artificially depress land values for large tracts of land in LMI neighborhoods, making them prime targets for eminent domain and redevelopment, and as sites for transportation facilities, sports stadiums, hospitals, amusement parks, and the like.

Financial institutions have the potential to intervene at numerous points in the redevelopment process, including making provision to ensure that former owners and residents will be able to participate in the redeveloped community and experience its economic benefits. For example, banks may be able to prevent displacement from the community by brokering deals that allow displaced residents to occupy one of the newly developed housing units.<sup>18</sup>

### **CRA Assessments Should Take Compliance with Consumer and Civil Rights Laws into Account**

CRA assessments should broadly take into account compliance with consumer and civil rights laws. Banks should not receive favorable treatment for their activities under the aegis of the CRA if there are deficiencies in the other products and services that they offer. At times, financial institutions have received CRA ratings of “outstanding” or “satisfactory” despite track records that showed widespread patterns of discrimination or abusive practices—a discrepancy rooted in narrowly interpreting bank activity under the Act.<sup>19</sup> Widespread bank practices that harm

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<sup>17</sup> Richard Rothstein, *THE COLOR OF LAW* 182 (2017).

<sup>18</sup> For example, in *Mt. Holly Gardens Citizens in Action, Inc. v. Township of Mt. Holly*, 658 F.3d 375 (2011), AARP Foundation attorneys represented older tenants and homeowners who were being displaced as part of the town’s housing redevelopment project. Plaintiffs obtained a ruling from the Court of Appeals for the Third Circuit holding that the town had violated the Fair Housing Act. Eventually, the parties settled by offering the homeowners the opportunity to live in the newly developed housing and pay the same costs they had paid for the homes they formerly owned.

<sup>19</sup> Specifically, we reject this complaint: “Those inside the industry have long complained that examiners have had too much discretion in assessing CRA behavior, at times docking down CRA scores for consumer violation issues not specifically covered by the CRA, but by other consumer protection statutes.” Carolyn Duren and Brian Cheung, “Banking regulator discourages double downgrades in CRA exams,” S&P Global Market Intelligence, November 13, 2017, <https://www.spglobal.com/marketintelligence/en/news-insights/trending/jeeh3jcavsvdpytwzmu0kq2>; U.S. Senate Committee on Banking, Housing, and Urban Affairs, “Hearing on Examining the Efforts, Activities,

consumers violate the spirit of the CRA, erode public trust in the ratings given by regulators, and cast doubt on fairness in the financial system itself. Scores of “outstanding” or “satisfactory” should meaningfully demonstrate a bank’s commitment not only to serving low- and moderate-income customers within its assessment areas, but treating its customers fairly in a manner consistent with the law. For example, a bank with a pattern and practice of misleading customers in order to sell products, discriminating against certain categories of borrowers in the price or availability of mortgage credit, or illegally foreclosing on homeowners should not receive a positive rating under the CRA. Other examples include violations of consumer laws governing deposit products as well as violations of the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, and the Americans with Disabilities Act.

### **Internet Banks and Other Financial Institutions Operating without a Formalized Local Presence Should Be Assessed at the Local Level Where Their Activities Are Taking Place, Rather Than a National Assessment Area**

A national assessment area would dilute the weight of loans made to specific communities. One potential threshold, as suggested by the National Community Reinvestment Coalition, would be any area in which a bank’s market share exceeds one half of one percent.<sup>20</sup> In general, any location where clusters of activity exist above a de minimis level could be considered for assessment.

### **Retail Home Loan Borrowing Categories by Type of Loan and Type of Borrower Should Not Be Combined**

Merging the categories of home purchase, refinance, and home improvement threatens to hide areas in which a bank is underperforming relative to the others. Similarly, LMI borrowers should be counted separately to ensure that borrowers in both categories are effectively served by a bank’s home loan products. More granular collection and reporting of these data better ensures that banks are held accountable to community needs, rather than picking specific customers or product lines in order to advance a CRA rating.

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Objectives, and Plans of the Office of the Comptroller of the Currency with Respect to the Conduct of Supervision, Regulation, and Enforcement of Financial Firms Supervised by the OCC.” June 14, 2018, <https://www.govinfo.gov/content/pkg/CHRG-115shrg31583/html/CHRG-115shrg31583.htm>.

<sup>20</sup> “While this may seem small, it corresponds to typical market shares in metropolitan areas of large banks. Regardless of the exact threshold adopted, the principle is that examination of retail lending should occur where a bank has a significant number of loans exceeding a sensible threshold. Examination of lending in separate geographical areas is imperative because credit needs will vary across geographical areas and banks need to be assessed regarding the extent to which they are responding to these different needs.” Josh Silver, “The Community Reinvestment Act and Geography: How Well Do CRA Exams Cover the Geographical Areas that Banks Serve?” April 2017, [https://ncrc.org/wp-content/uploads/2017/05/cra\\_geography\\_paper\\_050517.pdf](https://ncrc.org/wp-content/uploads/2017/05/cra_geography_paper_050517.pdf).

## **Non-Bank Mortgage Lenders Should Be Included in Peer Assessments of Banks' Home Loan Activities**

Both the total volume and share of mortgage activity by non-banks have grown dramatically over the past decade, with the majority of mortgage originations now being made by nonbanks.<sup>21</sup> Loans made by nonbanks, therefore, are a valuable comparison tool for assessing banks' performance—particularly to the extent that they reach borrowers less likely to be served by banks. The Federal Reserve's proposal to include them in peer analysis reflects awareness of these market trends.

## **CRA-Eligible Activities Should Be Flexible Enough to Permit Inclusion of Innovative Financial Activities Needed In Specific Communities**

Restricting the list of CRA-eligible activities to standardized, traditional loan products may result in banks not adequately serving the needs of lower-moderate-income and older borrowers and their neighborhoods. For example, where large percentages of borrowers are credit-constrained, banks should be expected to focus on activities designed to help borrowers improve their credit scores.<sup>22</sup> Similarly, institutions working with community groups on age-friendly banking initiatives that serve the needs of LMI and older borrowers should be considered for credit even if not included on the regulatory list. Credit should be withheld where banks, despite supporting activities such as stadiums or office buildings that will revitalize a particular geography, fail to serve the needs of LMI individuals.

## **The CRA Should Ensure That Banks Are Offering Affordable Loan Products to Meet Families' Basic Financial Challenges**

Affordable loan products should include low-cost personal installment loans and other alternatives to high-cost payday and auto title lending. In 2017, an estimated 1.8 million households headed by someone age 50 or older reported taking out a payday, auto title loan, or similar high-cost loan in the past year.<sup>23</sup> The consequences of these loans are potentially much more severe for older adults. The presence of regular income through Social Security and pension benefits makes them targets for exploitative financial practices, yet they may not have the resources to work longer hours or cut back on essential expenses in order to meet these debts. And many older adults may not have credit cards, particularly in communities of color.<sup>24</sup>

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<sup>21</sup> Federal Deposit Insurance Corporation, "Bank and Nonbank Lending Over the Past 70 Years," FDIC Quarterly, Volume 13 No. 4 (2019), <https://www.fdic.gov/bank/analytical/quarterly/2019-vol13-4/fdic-v13n4-3q2019-article1.pdf>.

<sup>22</sup> See Fed. Res. Bank of St. Louis, All Low- and Moderate-Income Areas Are Not Created Equal, <https://www.stlouisfed.org/publications/bridges/summer-2016/all-low-and-moderate-income-areas-are-not-created-equal>.

<sup>23</sup> Joe Valenti, "Financial Access Challenges for Older Adults," AARP Public Policy Institute, September 2020, <https://www.aarp.org/content/dam/aarp/ppi/2020/09/financial-access-challenges-for-older-adults.doi.10.26419-2Fppi.00108.001.pdf>.

<sup>24</sup> Ibid.



## **CRA Changes Should Support the Role of Community Development Financial Institutions in the Financial Ecosystem**

As mission-driven lenders, Community Development Financial Institutions, or CDFIs, are often able to originate and service loans that banks may consider too risky, including smaller personal loans, loans to support affordable housing development, and financing for small business development and expansion.

## **CRA Adjustments Should Aim to Preserve Bank Branches Across the Country, Particularly in Underserved Urban and Rural Communities**

Any revision of the CRA regulations must maintain a strong role for bank branches and in-person access to financial services to ensure that all older adults' financial needs are adequately met. According to the FDIC's 2019 How America Banks survey, 77 percent of households headed by someone age 50 or older accessed their account at a bank branch at least once in the past year, and 72 percent accessed it at an ATM or bank kiosk.<sup>25</sup> And for roughly half of the 50+ population, these were the most common methods for accessing an account. Yet the Federal Reserve's own research found that the number of bank branches fell by 7 percent nationwide between 2012 and 2017, with some urban and rural areas seeing sharper declines.<sup>26</sup> These closures are expected to continue partly in response to changes due to the COVID-19 pandemic. While financial institutions and their customers have adapted well to this new environment, branches will continue to remain essential for older adults and other bank users—especially customers who continue to prefer or rely on cash payments.<sup>27</sup> Even as interest in, and experience with, digital financial engagement has grown in recent years among older adults, there remain serious risks of excluding older households if branches are not maintained. These concerns are particularly acute for those age 65 and older. Less than one-third of the 65+ population had accessed accounts using a mobile phone in the FDIC's 2019 survey, and only 8 percent of the 65+ considered this to be their primary account access method.<sup>28</sup>

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<sup>25</sup> AARP tabulations of Federal Deposit Insurance Corporation, "How America Banks: Household Use of Banking and Financial Services," October 19, 2020, <https://www.fdic.gov/analysis/household-survey/index.html>.

<sup>26</sup> Federal Reserve Board of Governors, "Perspectives from Main Street: Bank Branch Access in Rural Communities," November 2019, <https://www.federalreserve.gov/publications/files/bank-branch-access-in-rural-communities.pdf>.

<sup>27</sup> Per one discussion of a rural bank branch closing in Duncan, Arizona: "The local branch's closing has been a major blow to residents of Duncan, which is near the New Mexico border and was once a popular stop along the road connecting Phoenix and El Paso, Texas. Local business owners no longer have a place to deposit cash each night, nor anywhere nearby to apply for a loan. Many senior citizens, especially those uncomfortable with digital banking, have felt an outsize impact. The absence of a bank branch in Duncan also makes it harder to attract new residents, said Richard Lunt, chairman of the Greenlee County Board of Supervisors, whose family has lived in the area for more than 100 years." Kevin Wack, "When a small town loses its only bank," *American Banker*, February 2, 2020, <https://www.americanbanker.com/news/when-a-small-town-loses-its-only-bank>.

<sup>28</sup> AARP tabulations of Federal Deposit Insurance Corporation, "How America Banks: Household Use of Banking and Financial Services."



## **Older Borrowers Require Flexible Servicing Practices, Particularly in Light of COVID-19 and Other Economic Shocks**

Many older adults struggle to maintain a sound financial footing. Among families headed by someone age 45 to 64, 40 percent have no retirement accounts at all.<sup>29</sup> Older borrowers have increasingly turned to high-cost loans in recent years.<sup>30</sup> And at the median level of spending, the basic needs of housing, healthcare, food, clothing, and transportation take up close to 80 percent of family budgets for those age 65 and older.<sup>31</sup> This leaves very little room for error or unexpected financial shocks.

Meanwhile, older Americans are also taking on the added burdens of paying off education loans not only for themselves, but also their children and grandchildren. Over the past 15 years, student loan debt has more than tripled, from \$455.2 billion in 2004 to \$1.5 trillion as of December 2018 – and the increase has been greatest among older borrowers. People age 50 and older account for 20 percent of the total student loan debt, or \$289.5 billion, a fivefold increase since 2004. This reflects both a sharp rise in the number of families borrowing and the amount they borrowed. Over the past three decades, the cost of attending a four-year college has more than doubled, even after adjusting for inflation, as state and local funding for higher education per student has decreased. Family incomes have not increased enough to keep pace with the higher costs.<sup>32</sup> Ultimately, increasing student loan debt burdens are exacerbating the difficulties that LMI families have in meeting their daily needs, saving for retirement, buying homes, building wealth, and enabling economic mobility.

The recent outbreak of COVID-19 and its associated effects on health and the economy only challenge borrowers further. AARP is pleased to see agencies respond with calls for additional flexibility on the part of financial institutions, such as waiving fees and extending payment deadlines.<sup>33</sup> AARP encourages the continuation and expansion of these efforts to ensure that economic shocks do not increase financial hardship and displacement for older Americans. We further encourage financial institutions to ensure that communication related to these efforts be conducted in languages that will be understood by the large share of immigrants in multicultural older communities.

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<sup>29</sup> Federal Reserve Board of Governors, “2016 SCF Chartbook” (July 23, 2018) <https://www.federalreserve.gov/econres/files/BulletinCharts.pdf>.

<sup>30</sup> Alessandra Malito, “Lax payday loan regulations could hit older Americans especially hard,” *MarketWatch* (February 9, 2019), <https://www.marketwatch.com/story/lax-payday-loan-regulations-could-hit-older-americans-especially-hard-2019-02-08>.

<sup>31</sup> Steven A. Sass, “Will the Financial Fragility of Retirees Increase?” Center for Retirement Research at Boston College (February 2018), <https://crr.bc.edu/briefs/will-the-financial-fragility-of-retirees-increase/>.

<sup>32</sup> Lori A. Trawinski, Susanna Montezemelo, and Alicia Williams, “The Student Loan Debt Threat: An Intergenerational Problem,” [AARP](https://www.aarp.org/content/dam/aarp/ppi/2019/05/the-student-loan-debt-threat.doi.10.26419-2Fppi.00064.001.pdf) Public Policy Institute, Washington, DC, May 2019, <https://www.aarp.org/content/dam/aarp/ppi/2019/05/the-student-loan-debt-threat.doi.10.26419-2Fppi.00064.001.pdf>

<sup>33</sup> For example, Office of the Comptroller of the Currency, “Pandemic Planning: Working With Customers Affected by Coronavirus and Regulatory Assistance,” OCC Bulletin 2020-15 (March 13, 2020), <https://www.occ.gov/news-issuances/bulletins/2020/bulletin-2020-15.html>.

## **Accurate and Fulsome Reporting of Banks' CRA Compliance Is Critically Important**

Oversight agencies are to “prepare a written evaluation of the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.” That report should contain conclusions regarding each regulatory assessment factor, a discussion of the facts and data supporting such conclusions, and a statement describing an institution’s rating.<sup>34</sup> We ask that oversight agencies assign high priority to this task, thereby incentivizing banks to avoid the reputational risk of CRA noncompliance.

## **Bank Regulators Should Return to the Precedent of Jointly Developing and Implementing Regulations and Guidance**

Finally, AARP encourages bank regulators to return to the precedent of jointly developing and implementing regulations and guidance for the Community Reinvestment Act moving forward. All banks subject to the CRA should be evaluated, and ultimately held accountable, based on common criteria derived from their actual activities rather than metrics dependent largely upon the type of charter they hold. The financial crisis and Great Recession made clear the severe consequences of inconsistent standards and supervision among agencies, and institutions should not expect to receive more or less generous treatment based on their regulator.

Thank you for the opportunity to provide comments on this vital issue. If you have any questions or comments, please feel free to contact Debra Alvarez in our Government Affairs Department at (202) 434-3814 or dalvarez@aarp.org.

Sincerely,



David Certner  
Legislative Counsel and Policy Director  
Government Affairs

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<sup>34</sup> 12 U.S.C §2906.