

Proposal: 1769(AG29) Regulation BB: Community Reinvestment Act

Description:

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From: Pat Tawney

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Subject: Reg BB; Community Reinvestment Act

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Comments:

NONCONFIDENTIAL // EXTERNAL

The CRA was created when interest rates were rapidly climbing to their highest level in recorded history. Now you want to amend it to make it useful in the new banking environment. But it doesn't matter what you do to make money available to the poor if the cost of money is too high. The CRA hasn't been useful from its inception. It hasn't stopped racist lending practices and its idea of poor and middle class remain awful. While money was at the lowest interest rates in decades under the Trump administration this cheap money did not make its way to Indian tribes. Why do you suppose that is? The FED is making recommendations to change the CRA at a time they are bent on crashing the entire economy when we should be building it. The CRA should be beefing up efforts to stop racist implementation and an independent study of the true impacts and beneficiary of the CRA under the last three administrations should be completed. But most importantly the US govt. should give absolutely no weight to any recommendations made by the Federal Reserve.