Americans for Financial Reform Education Fund

Via electronic submission

Jonathan V. Gould
Comptroller of the Currency (OCC)
Office of the Comptroller of the Currency
400 7th Street SW
Washington, DC 20219
Attn: Chief Counsel's Office

Via: Federal eRulemaking Portal regulations.gov

Travis Hill, Chairman
Federal Deposit Insurance Corporation (FDIC)
550 17th Street, NW
Washington, DC 20429

Via email to Comments@fdic.gov

October 13, 2026

Re: Comment in Opposition to OCC and FDIC Notice of Proposed Rulemaking on Community Reinvestment Act Regulations: OCC Docket ID OCC-2026-0694; RIN 1557-AF57; FDIC RIN 3064-AG31

Dear Comptroller Gould and Chairman Hill:

Americans for Financial Reform Education Fund (AFREF) submits this comment in opposition to the Notice of Proposed Rulemaking on the Community Reinvestment Act issued by the Office of the Comptroller of Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC).[1] AFREF opposes the proposed rule because it would unacceptably weaken the Community Reinvestment Act (CRA).

Given the complexity of the rule and scope of the changes, we also request that the OCC and FDIC carefully analyze the likely consequences for low- and moderate-income (LMI) communities, provide an opportunity to comment on the analysis and evidence the agencies identify supporting any changes, and extend the current comment deadline by 60-days. The likely costs of the proposal to LMI communities are demonstrably substantial, but they are not even considered in the regulators' economic analysis.

AFREF is a nonpartisan and nonprofit coalition founded by more than 200 civil rights, consumer, labor, investor, faith-based, and civic and community groups and is dedicated to advocating for policies that shape a financial sector that serves workers, communities and the real economy, and provides a foundation for advancing economic and racial justice; this requires robust enforcement of fair lending and civil rights laws and regulations, including the Community Reinvestment Act .

[1] Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation. Notice of Proposed Rulemaking. Community Reinvestment Act Regulations. 91 Fed. Reg. 154. August 12, 2026 at 52114 et seq.

For nearly fifty years, the CRA has been a critical part of civil rights law that imposes an affirmative obligation that chartered depository institutions meet the credit needs of their entire communities, including low- and moderate-income neighborhoods and communities of color. The federal government bestows many benefits to banks, including access to the Federal Reserve discount window and deposit insurance, and in exchange for these substantial public benefits, federally chartered banks are required to fully serve the communities where they operate under the Community Reinvestment Act and other banking laws. Congress recognized that communities depend on access to both credit and financial services from depository institutions to support local economies.

These protections remain especially important in communities that have experienced redlining, disinvestment, banking deserts and branch losses, and unequal access to mainstream financial services.

The proposed rule would substantially reduce or narrow CRA scrutiny for banks and would change how regulators evaluate community development, the provision of credit, addressing redlining, and the provision of bank services. These changes are being considered without an adequate analysis of their likely effects on low- and moderate-income communities and on communities that have experienced historic racial discrimination and community disinvestment.

Reducing community investment expectations for all banks:

This proposed rule would unacceptably lower banks' incentives to invest in communities and as a result would reduce the availability of credit in these neighborhoods. The proposed rule would grant a satisfactory or better CRA rating to banks that dedicated just 0.625% of their Tier 1 capital to either community development loans or investments.[2] This is a tiny fraction of the credit and investment being offered by banks today. According to the National Community Reinvestment Coalition, the median percentage of annual community development lending was 6.8% of tier 1 capital and the median percentage of qualified community investments was 3.6% of tier 1 capital. The proposed rule could allow banks to reduce their community development loans and investments by approximately $87.1 billion annually, or an 85 percent reduction.[3]

Such a dramatic decline in community development investments and loans would severely harm the economic vitality of low- and moderate-income communities and areas that have experienced historic racial discrimination and redlining. The CRA must continue to hold banks accountable to providing the needed credit and services in the communities where they operate. The proposed rule failed to analyze or assess the economic costs to communities of reduced access to credit, investment, and services in low- and moderate-income communities as well as whether the proposal would reinforce patterns of racial redlining and disinvestment in communities that have experienced historic discrimination.

[2] The agencies have proposed that banks receive CRA credit for providing credit and investments outside their assessment areas if they exceed the tier 1 capital threshold, but this provision is likely to act as a cap on community reinvestment not as a regulatory floor. Community Reinvestment Act Regulations. 91 Fed. Reg. 154. August 12, 2026 at 52121 and 52140 ..

[3] National Community Reinvestment Coalition (NCRC). "CRA's New Benchmark Could Put 84% of Current Community Development Activity at Risk." September 10, 2026.

Substantially weakening CRA oversight of banks:

The proposal would unacceptably narrow the CRA evaluation of hundreds of banks by raising the size thresholds of so-called small and intermediate sized institutions that would have the effect of reducing data collection and scrutiny of these banks under the CRA. The proposal would expand the definition of small banks to all institutions with fewer than $1 billion in assets. This would raise the small bank threshold from $412 billion and exclude about 800 banks from community development evaluations.[4] It would also raise the definition for intermediate-sized banks to between $1 and $10 billion in assets, moving over 400 banks from the more comprehensive large-bank consideration to the less demanding intermediate bank framework..[5] This would exclude these banks from separate services and investment tests under the CRA and instead would have a less rigorous combined services, investment, and community development evaluation.

Additionally, the proposal would also eliminate several essential CRA data collection and reporting requirements for the larger banks that would be recategorized as intermediate-sized institutions, currently applicable to large banks for institutions with $10 billion or less in assets, including reporting on small-business, small-farm, and community development lending.[6] Publicly available data is essential for communities, local governments, the public, and researchers to identify credit deserts, compare bank performance, and understand local demand and availability of credit. Ultimately, moving larger institutions into lower levels of CRA oversight could reduce the availability of community investments and lower the availability of affordable housing investments such as lowering the demand for Low-Income Housing Tax Credits.

More than fifty years after the enactment of the Fair Housing Act, Equal Credit Opportunity Act, Home Mortgage Disclosure Act, and the Community Reinvestment Act civil rights laws, there is still a persistent and critical need for equitable access to affordable credit and economic investment in communities across the country. The CRA provides needed regulatory scrutiny to assess whether banks are fully serving the needs of low- and moderate-income communities and communities of color. Families continue to face barriers to affordable mortgage credit and homeownership; entrepreneurs struggle to obtain affordable farm and small-business financing; and neighborhoods continue to need investment in affordable housing, small businesses, and other community development.

Exempting CRA consideration of lending discrimination, redlining, and consumer protection:

The proposed rule would undermine the long-standing CRA consideration of redlining, lending discrimination, or illegal credit practices that could downgrade banks' CRA ratings. The proposal seems to attempt to exclude redlining and unlawful steering from consideration of lowered CRA ratings. The proposal also erodes the assessment of evidence of patterns and practices of unlawful discrimination by eliminating critical factors of consideration including the severity of harm to communities and individuals, the duration of fair lending violations, the pervasiveness of violations, and the root causes of the violations. This would substantially undermine the evaluation of compliance with fair lending law and make it harder to downgrade banks for lending discrimination violations. Further, the proposed rule would significantly narrow evaluation of Truth in Lending Act violations that would not allow consideration of unfair terms or conditions,

[4] NCRC. "The Proposed 2026 CRA Rollbacks: Key Takeaways and Why it Matters." August 3, 2026.
[5] Community Reinvestment Act Regulations. 91 Fed. Reg. 154. August 12, 2026 at 52114 and 52120 to 52123.
[6] *Ibid.* at 52120.

deceptive marketing, mortgage suitability, and others that have direct bearing on fair lending violations. The CRA was enacted to address the historic racial redlining by requiring banks to meet the credit and service needs of all of the communities where they do business and to comply with federal civil rights laws. Banks cannot fully serve the communities where they take deposits when they fail to comply with fair lending and consumer protection laws.

Deprioritizing community investment needs:

Low- and moderate- income communities are currently experiencing significant affordability challenges—in housing, energy, and food—due to rising climate damages, increased pollution, and extractive industries. Communities need greater access to capital to adapt to climate change, maintain community control over their development, and produce good jobs and benefits for all members of their communities. The proposal would undermine these goals not only by decreasing the amount of capital available to these communities by reducing support for community nonprofits (that the proposal acknowledges are essential partners in lending and development[7]) and favoring larger scale infrastructure projects that provide minimal local economic benefits. The proposal effectively puts a thumb on the scale in favor of larger infrastructure projects that are more likely to extract wealth and return little long-term economic value to communities, and which can cause additional environmental harm, such as data centers. The current standard requires a project to "help attract or retain businesses or residents," which is more likely to result in projects that contribute to long-term job creation and build community wealth.[8]

For these reasons, Americans for Financial Reform Education Fund opposes the proposed CRA rule. We appreciate your consideration of these views.

Sincerely,

Americans for Financial Reform Education Fund

[7] Community Reinvestment Act Regulations. 91 Fed. Reg. 154. August 12, 2026 at 52164.
[8] *Ibid.* at 52135.