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Via Electronic Submission

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Board of Governors of the Federal Reserve System
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Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th St., SW, suite 3E-218
Washington, DC 20219

Re: Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996, Docket ID OCC-2023-0016; Docket No. OP-1828; RIN 3064-ZA39

To Whom It May Concern:

On behalf of the members of the Community Development Bankers Association (CDBA), we respectfully submit the enclosed comments in response to the agencies' 2025 EGRPRA review of the Community Reinvestment Act (CRA). Our comments below focus on issues central to the operations of Community Development Financial Institution (CDFI) certified banks. Thank you for your consideration of these recommendations.

CDFIS ARE CRITICAL IN SERVING LOW- AND MODERATE-INCOME COMMUNITIES

CDBA is the national trade association for the CDFI bank sector. CDFIs are private financial institutions that include banks and bank holding companies, as well as credit unions, loan funds, and venture capital funds. CDFIs provide financial products and services to populations and businesses located in low- and moderate-income (LMI) communities. To be certified as a CDFI, a bank must demonstrate to the U.S. Treasury's CDFI Fund that at least 60% of the bank's total activities (lending, investment, and services) are focused on serving LMI communities or people – a high standard.

CDBA fully supports the purposes and objectives of CRA. In enacting CRA, Congress stated that the purpose of CRA was to ensure that regulated financial institutions demonstrate that they "serve the convenience and needs of the communities in which they are chartered to do business."

In this context the primary mission of CDFI banks places them in a unique position. As nationally and state-chartered FDIC insured depositories, the agencies examine CDFI banks for the purposes of CRA compliance *and* recognize them as helping to meet the credit needs of LMI individuals and communities across the nation. Our banks' missions mean that clarity and consistency in CRA regulation is especially consequential to the communities CDFI banks serve.

CDFI banks demonstrate leadership in revitalizing American communities, mobilizing capital for people and places hard hit by economic disruption, whether resulting from long-term trends, natural disasters, or other economic shocks. Without CDFI banks, many LMI, rural, small-town, and Native communities would lack adequate access to financial services and investment, stymying economic growth and perpetuating poverty.

There have naturally been many changes to the operating environment for banks, consumer behavior, and other circumstances since the enactment of the CRA and subsequent revisions to guidance. In the face of these changes, the intent of CRA remains critical to contemporary bank regulation, and the important work of modernizing the CRA must recognize its historic and ongoing value.

In order to ensure consistency and fairness in CRA modernization for CDFI banks, we respectfully urge the Agencies to carefully consider the following recommendations.

Align CRA implementation with the CDFI bank business model

Consistently recognize CDFIs as conduits for non-CDFI bank CRA credit

The agencies should maintain and clarify "automatic" positive CRA consideration for activities undertaken by all banks with Treasury-certified CDFIs, regardless of assessment-area boundaries, and ensure the regulatory guidance consistently and explicitly includes CDFIs wherever mission-focused depositories (e.g. low income credit unions, minority depository institutions) are named. This will resolve ambiguity, examination-by-examination variance, and better reflect congressional intent.

Include CDFI status in performance context

For CDFI banks, CDFI certification should be an explicit, preliminary element of CRA examination performance context. CDFI certification requires that a majority of bank activity targets LMI/underserved markets; acknowledging this up front calibrates examiner expectations and reduces needless re-litigation of the bank's mission in each exam.

Permit evaluation against CDFI Target Markets

Agencies should allow CDFI banks to receive CRA consideration for activities in their CDFI Fund-approved Target Markets (geographic Investment Areas and/or Target Populations), not solely within CRA assessment areas. This would capture real service footprints and avoid penalizing banks that reach LMI communities adjacent to, but outside, narrower assessment area lines.

Size thresholds that fit small mission banks

Right-size CRA bank-size thresholds to limit disproportionate burden on smaller institutions that disproportionately serve LMI communities. This change is consistent with past efforts to reduce unnecessary burdens on community banks generally.

Presumption of "Satisfactory" for CDFI banks

Because the rigorous CDFI certification already substantiates a sustained LMI mission, CDFI bank CRA

exams should begin with an institutional presumption of “Satisfactory,” with the potential to adjust based on performance. This creates a balanced starting point and reduces episodic swings linked to examiner turnover or changes in local economies.

Improve consistency and reduce subjectivity in supervision.

Interagency examiner training

Develop joint OCC/FDIC/FRB training that covers CDFI certification, Target Markets, community development definitions, and common scenarios (e.g., participations with CDFIs, CDFI deposits). To improve efficiency and consistency, a joint-agency, CDFI-bank dedicated examination team should be considered. Agencies should permit bank CRA officers to attend appropriate training modules to promote shared understanding and reduce exam inconsistency.

Qualifying activities confirmation and illustrative list of activities

CDBA strongly supports the creation of a joint-agency, public, non-exhaustive list of activities eligible for CRA consideration. The database should be enhanced by including case studies that would describe the project or activity and include an explanation of why specific activities are deemed CRA “eligible” or “ineligible.” Further, a formal line of communication between a CRA regulator and a bank’s CRA team will contribute to the success of a database of opinions and case studies that can serve as a training tool and source of information for both examiners and bankers.

Streamlining and sharing data

Agencies should leverage CDFI Fund Annual Transaction Level Reports (ATLRs), Call Reports, HMDA, and (as applicable) other datasets to minimize duplicative CRA data calls. Agencies should align definitions and geography where feasible to reduce re-mapping and re-tagging of identical transactions across federal programs.

Closing

In partnership with CDFI banks, the adjustments outlined above will reduce unnecessary burden and sharpen CRA’s power to channel capital where it matters most, without compromising safety and soundness.

Thank you for your consideration of these recommendations. We welcome the opportunity to discuss implementation details with agency staff. Please contact Brian Blake at blakeb@pcgloanfund.org, or (202) 689-8935 ext. 225 with any comments or questions.

Sincerely,



Brian Blake
Chief Public Policy Officer