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February 20, 2026

Via Electronic Submission

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: Proposed Guidance and Request for Comment on Simplified Strategic Process for Community Banks;
Docket ID OCC-2025-0669

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 Office of the Comptroller of the Currency's proposed supplemental guidance on a simplified Community Reinvestment Act (CRA) strategic plan process for community banks.

CDBA is the national trade association for the CDFI bank sector. To be certified as a CDFI, a bank must demonstrate to the U.S. Treasury's CDFI Fund that at least 60% of its total activities (lending, investment, and services) are focused on serving low- or moderate-income (LMI) communities or people – a stringent standard.

CDBA fully supports the purposes and objectives of the CRA. CDFI banks demonstrate leadership in revitalizing American communities, mobilizing capital for people and places hard hit by economic disruption, whether 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, inhibiting economic growth and perpetuating poverty.

STRATEGIC PLAN OPTION

The OCC's existing strategic plan option enables a bank to tailor its CRA examination based on the needs of its community and its own business strategy, product offerings, and capacity, but very few small community banks (including CDFI banks) have chosen this option principally due to uncertainty on how to create a CRA strategic plan.

A growing number of CDFIs are using their knowledge of LMI communities and government programs to develop specialized products and services that increasingly attract customers from outside of their local markets. Because these activities are outside their traditional assessment areas, they typically do not get credit for them under the CRA.

We commend the OCC for the proposed guidance in a Simplified Strategic Process for Community Banks and believe the proposed Elective Goals outlined in Appendix A and the Simplified CRA Strategic Plan Form Outline are a significant improvement over current guidance. We believe the recommendations that follow would build upon the improvements set forth in the proposal.

RECOMMENDATIONS

- **YEAR-OVER-YEAR PERFORMANCE:** We strongly support the OCC's objective of providing greater clarity on, and specific examples of, Elective and Custom Goals. We seek clarification that goal outperformance by a bank in a given performance period will not automatically establish a new baseline for subsequent years. Without clarification, institutions would avoid going beyond goal minimums out of concern that strong past performance would become a de facto future requirement. Continually increasing baselines may be inadvisable due to economic conditions, regulatory changes, competitive shifts, natural disasters, or other unforeseen circumstances that make growth incompatible with safety and soundness. We suggest consideration of a credit that institutions can carry forward from overperformance in one year of the plan period to offset declines due to unforeseen circumstances in a subsequent period.

We also recommend that the final standards provide clear guidance on acceptable minimum performance levels and establish an amendment framework that accommodates changing conditions to preserve safety and soundness.

- **TRAINING FOR OCC REGIONAL OFFICE PERSONNEL:** A common factor among CDFI banks that have successfully used the strategic plan option is knowledgeable OCC personnel in their regional and/or field offices to answer questions and provide guidance and feedback about performance goals while implementing the option. We ask that every OCC regional and/or field office have trained and dedicated staff members that understand the new CRA Simplified Strategic Process for Community Banks and are available to assist community banks considering the option.
- **RECOGNITION OF CDFI BANKS:** The new simplified process should explicitly recognize the significant role of CDFI banks as specialists in designing and delivering credit and financial services in LMI communities. U.S. Treasury Department certification as a CDFI bank should be an explicit element providing important context prior to CRA examination. Treasury certification requires that a majority of bank activity targets LMI and underserved markets. We recommend that the proposed Elective Goals and Simplified CRA Strategic Plan Form be modified to give additional CRA credit to any bank that maintains its status as a Treasury-certified CDFI throughout the examination period.

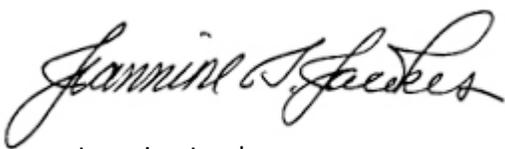
We also urge greater alignment between the Treasury's CDFI certification requirements and CRA performance standards. For example, the CDFI Fund's Target Market test requires CDFI banks to maintain at least 60% of their lending (by number and dollar amount) in an eligible Investment Area (typically census tracts meeting one of these criteria: median family income at or below 80% of median income for specified geographic areas; at least 20% of the population beneath the poverty rate; or an unemployment rate at least 1.5 times the national rate). We recommend that achieving the CDFI Fund's annual 60% Target Market test be included as an acceptable Elective or Custom Goal that can satisfy a CDFI bank's Lending or Community Development test — even if all the lending is not in the bank's delineated assessment area. Alternatively, we recommend that CDFIs have the option to be classified as Limited Purpose banks, affording them the flexibility to develop a more tailored CRA evaluation process and be evaluated under only

the community development test to capture their LMI service and impact outside of a traditional assessment area.

- **SUPPORT FOR CDFIS:** The new simplified process should explicitly recognize the key role of CDFIs in meeting the lending, investment, and service needs of LMI communities. Specifically, the Elective and Custom Goals examples should list examples of ways that banks can support CDFIs, such as making a deposit in a CDFI bank, making a loan to a CDFI, purchasing a loan or portfolio of loans from a CDFI, engaging in a participation lending transaction, or other type of partnership with a CDFI. We further recommend that the OCC grant positive CRA consideration for activities undertaken by all banks with Treasury-certified CDFIs, regardless of assessment areas.
- **TRANSPARENT SCORING AND WEIGHTING:** We encourage the OCC to ensure the final guidance provides transparency and weighting across assessment areas. For example, the weighting of the scoring process for a bank moving into new markets should recognize that market penetration and performance levels may be low until it is more established and has market recognition. We encourage the OCC to provide examples of how a bank can suggest weighting in its application. Without a scoring mechanism to reference, it is unclear what is appropriate for a bank to suggest.
- **VOLUNTEER THRESHOLDS:** We urge the OCC to broaden its proposed definition of qualified volunteer service under the framework. The proposed definition excludes many forms of community service that provide meaningful, measurable benefit to LMI individuals within a bank's assessment area. Community banks — particularly those with limited staff — often contribute substantially through activities such as serving meals at shelters, supporting organizations that assist individuals experiencing homelessness, participating in distribution events, or providing hands-on operational support to nonprofits. Although these activities may not involve direct financial education or technical expertise, they are essential to the stability and well-being of vulnerable populations and directly advance CRA goals. We encourage the OCC to explicitly recognize these nonfinancial volunteer activities as eligible community development service and to ensure that thresholds reflect the realities of smaller institutions with limited personnel resources.

Thank you for your consideration of these recommendations regarding the Simplified Strategic Process for Community Banks, which we believe will make the CRA strategic plan option more attractive to community banks and channel capital where it matters most. We welcome the opportunity to discuss implementation details with agency staff. Please contact Jeannine Jacokes at jacokesj@pcgloanfund.org, or at (202) 689-8935 ext. 221, with any comments or questions.

Sincerely,



Jeannine Jacokes

Chief Executive Officer