

August 18, 2025

Chief Counsel's Office  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street SW, Suite 3E-218  
Washington, DC 20219

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

Jennifer M. Jones  
Deputy Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429

**RE: Community Reinvestment Act Regulations (90 FR 34086)**

*[OCC: Docket ID OCC-2025-0005 RIN 1557-AF30; FDIC: RIN 3064-AG13 and Federal Reserve System: Docket No. R-1869 RIN 7100-AG295]*

To Whom It May Concern:

The Greenlining Institute appreciates this opportunity to comment on the Interagency Notice of Proposed Rulemaking (NPR) by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Federal Reserve Board ("Agencies") regarding the Community Reinvestment Act (CRA) regulations. The Greenlining Institute and our coalition submit this letter in opposition to the proposal to rescind the 2023 CRA Final Rule. Rescinding the 2023 CRA Final Rule will undermine the goals of the CRA and reduce its effectiveness in a new era of financial services, which includes online banking and the lasting impacts of historic and modern redlining.

Founded in 1993, The Greenlining Institute works toward a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. We work to proactively drive investments and opportunities into communities of color alongside a coalition of over 40 grassroots, community-based organizations, including minority business associations, community

**About:** The Greenlining Institute works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change.

development corporations, and civil rights organizations. Our multifaceted advocacy efforts address the root causes of racial, economic, and environmental inequities to meaningfully transform the material conditions of communities of color in California and across the nation.

The CRA has been an effective tool in driving reinvestment in low- and moderate-income (LMI) communities, and the 2023 CRA Final Rule made critical updates that increased clarity and transparency in order to direct investments to the communities that need it most.

### **Importance of the CRA for LMI Communities**

Greenlining has leveraged the Community Reinvestment Act to negotiate twenty community benefit agreements (CBAs) alongside our community partners in the last forty years, amounting to over half a trillion dollars in investments to address years of redlining and disinvestment in critically underserved neighborhoods. These CBAs have specifically addressed the lack of affordable housing, access to affordable mortgages, and small business support for LMI communities in California. Affordability of capital and access to financial services continue to be a barrier to economic mobility for LMI communities making it necessary for the regulations implementing the CRA to regularly evolve to address the present-day financial needs of communities that need it the most.

The 2023 CRA Final Rule serves as a critical tool to expand financial services to LMI communities beyond the outdated metric of a bank's brick-and-mortar branch network, particularly for the [unbanked and underbanked households](#), rural communities, and Native American populations. Through CRA, organizations like Greenlining have been able to hold banks accountable to meet the credit needs of LMI communities in California and advanced products, programs, and services like Special Purpose Credit Programs. In [Tri Counties Bank's 2024 Community Impact Report](#) they shared "In 2024 we originated almost \$10 million in home loans through [Homeownership Access Program], with 85% of borrowers identifying as minorities. Special Purpose Credit Programs, including the Homeownership Access Program, provide access to credit to economically disadvantaged groups or to meet social needs." This highlights how updated guidance in the 2023 CRA Final Rule elevates innovative programs that are responsive to present day credit needs, having a lasting impact in communities that have been historically underserved.

### **CRA Modernization Is Imperative to Economic Progress**

Racist practices from the financial services sector led to a need for CRA and the [original intent of the CRA](#) was to affirmatively obligate banks to reinvest locally in neighborhoods that were historically deemed "too risky." The CRA should be an antidote to historical redlining and the

**About:** The Greenlining Institute works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change.

continuous disparities that exist amongst communities of color and should continue to evolve in order to eradicate [modern forms of redlining](#).

Since the last time that the CRA was substantially updated in 1995, racial disparities in lending and wealth creation have persisted or worsened.

- The [wealth gap and the homeownership](#) gap between Black and White Americans in modern times is roughly the same as it was before the passage of the Civil Rights Act of 1964.
- Black and Hispanic households are around 5 times more likely to be [unbanked](#) as White households.
- LMI Asian American and Pacific Islanders (AAPI) households are [far less likely to own a home](#) compared to white people of the same income group – 37% compared to 55%. Further, LMI Native Hawaiians and Other Pacific Islanders (NHOPI) are more than 2 times less likely to own a home at 22%, and are nearly twice as likely to be denied home purchase loans compared to white borrowers.
- The legacy of redlining has resulted in neighborhoods lacking adequate investment by banks while also commonly [bearing disproportionate environmental burdens](#), leading to increased vulnerability to climate change and negative health outcomes.
- Black-owned businesses are [more likely to be denied credit](#) even after controlling for differences in creditworthiness.
- Banks and the fintech industry have begun using algorithms that rely on data rooted in the impacts of redlining to make decisions about the creditworthiness of loan applicants, [leading to bias that overcharges people of color](#) and leads to higher rates of loan denials for people of color compared to White applicants.

While redlining was outlawed in 1968, the impact of decades of disinvestment lives on—and at the same time, new forms of financial discrimination have emerged, further entrenching the racial and economic divides that redlining helped establish. In the absence of a modernized CRA tailored to address these realities, we should expect racial disparities in small business lending, home lending, and community reinvestment to continue and worsen.

Reversing the 2023 CRA Final Rule would undermine critical progress toward economic equity in low-income and communities of color. These rules modernized CRA by providing essential guidance on climate resilience, community development, and factored technological advances in banking that help expand financial services. They also directed banks to prioritize rural and persistent poverty areas—regions that have historically received little to no community development financing—ensuring that investment reaches those most in need. By expanding assessment areas, the rules enabled banks to grow their market reach while simultaneously delivering vital financial services to underbanked and unbanked communities. Rolling back

**About:** The Greenlining Institute works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change.

these advancements would erase essential progress and stall momentum toward inclusive economic growth.

The Greenlining Institute and our coalition are particularly concerned about the following areas that the 2023 CRA Final Rule sought to address:

**Assessment Areas for Retail Lending:** Between 2017 and 2021, physical bank locations in the U.S. fell by 9%, resulting in the [closure](#) of approximately 7,500 branches. Notably, a third of these closures occurred in LMI or historically marginalized communities. The 2023 CRA Final Rule aimed to modernize how banks are evaluated by accounting for lending activity beyond traditional branch-based assessment areas. Under the new rules, assessment areas are created wherever a [bank originates 100 mortgages or 400 small business loans within two years](#), reflecting the shift toward digital and hybrid banking models. This change ensures a more accurate evaluation of bank performance in LMI communities, acknowledging the decline of physical branches and the rise of online and mobile banking services. Reverting to the 1995 CRA framework ignores three decades of financial system evolution and undermines the CRA's core intent: to combat financial discrimination against LMI communities and communities of color. This rollback risks perpetuating inequities by weakening oversight of banks' obligations to communities who have long faced systemic exclusion from mainstream financial services.

**Community Development:** Up until the 2023 CRA Final Rule, banks, regulators, and the public had significantly less transparency into the range and scope of investments that banks were making in the community development space. The 2023 CRA Final Rule made significant strides to improve the reporting process and to provide more consistency and clarity into the kinds of investments that would be eligible for CRA credit. These improvements included clear definitions and categories for investments and key geographic information that allowed for more comprehensive analysis of a bank's activities. This new order would have allowed for clear identification of gaps and needs in communities, and would allow the bank and local communities to be more strategic in these investment strategies. Returning to the 1995 rules will only continue the existing inefficient and inconsistent reporting regime that does not serve regulators, the public, or the banks themselves.

Further, the revised community development category in the 2023 CRA Final Rule outlined 11 subcategories that fulfilled the present-day, real-life investment needs of LMI communities. One of these categories includes "disaster recovery and weather resilience." While certain disaster recovery activities have been allowed under the 1995 rule, the 2023 CRA Final Rule incentivizes banks to make the critical investments we know need to be made *in advance of natural disasters*. Additionally, the 2023 CRA Final Rule also explicitly recognized broadband infrastructure and digital access as essential to economic opportunity, and encouraged banks to address the digital divide in LMI communities through the community infrastructure

**About:** The Greenlining Institute works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change.

subcategory of community development activities. These are both prime examples of how the 2023 CRA Final Rule facilitated opportunities for banks to make smart, financially prudent investments that also benefit LMI communities.

**Community Participation:** Community participation and transparency are fundamental to the CRA evaluation processes. The 2023 CRA Final Rule was meant to strengthen community engagement by: (1) creating formal public input channels for credit needs assessments; (2) requiring advance publication of bank examination schedules; and (3) mandating that all comments and feedback be shared with banks. These measures work towards ensuring transparency in CRA evaluations by clarifying comment procedures and examination timelines. Rescinding the rule will muddle engagement in the critical feedback process by eliminating predictable comment windows and weakening public participation mechanisms essential for holding banks accountable to community needs.

**Special Purpose Credit Programs:** The 2023 CRA Final Rule explicitly encourages Special Purpose Credit Programs (SPCPs) under the Retail Services and Products test and clarifies that SPCPs are eligible for CRA consideration. This recognition would have further incentivized financial institutions to develop SPCPs, a critical tool for serving the capital needs of historically underserved communities by reducing barriers to credit access by lowering the minimum credit score and down-payment criteria, allowing for higher debt-to-income ratios, and instating lower income limits. Rescinding the 2023 CRA Final Rule will reduce clarity around the legality of SPCPs and signal to banks that SPCPs are not an effective tool for fulfilling their CRA requirements. In addition to reducing access to capital for underserved communities, this would contradict [efforts](#) by the Agencies to reinforce the legality of SPCPs and encourage their use.

## Conclusion

Repealing the 2023 CRA Final Rule represents a troubling step backward for both banks and the communities they serve. The modernized regulations were the product of years of thoughtful collaboration across Agencies, banks, and community stakeholders. It brought long-overdue clarity, consistency, and transparency to CRA exams while expanding access to responsible credit and investment in LMI communities.

Rolling back these improvements undermines the goals of the CRA and creates uncertainty for banks trying to align capital with public need. It also signals withdrawal from urgent priorities like weather resilience, digital equity, and disaster recovery—areas that are essential to building a stable and inclusive economy.

We strongly urge regulators to maintain the progress made with the 2023 CRA Final Rule, and to continue advancing a CRA framework that works for banks and communities alike.

**About:** The Greenlining Institute works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change.

Sincerely,

*Olga Talamante*  
Olga Talamante (Aug 18, 2025 12:25:15 PDT)

Olga Talamante

*Interim President & CEO, The Greenlining Institute*

**Greenlining Coalition:**

Tate Hill

*Access Plus Capital*

Hyepin Im

*Faith and Community Empowerment*

Steve Dial

*AnewAmerica*

Dr. Cassandra Little

*Fresno Metro Chamber of Commerce*

Darlene Mar

*Asian Business Association of Silicon Valley*

Jose Pecho

*San Francisco Filipino American Chamber of Commerce*

Ron Fong

*Asian Pacific Islander Small Business Collaborative*

Willie Ellison

*Southern CA Black Chamber of Commerce*

Lamar Heystek

*ASIAN, Inc.*

Karla Guerra

*The Unity Council*

Heidi Pickman

*CAMEO Network*

**About:** The Greenlining Institute works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change.

# Greenlining CRA Regulations Comments




## 08-2025

Final Audit Report

2025-08-18

Created:	2025-08-18
By:	Chagan Sanathu (chagans@greenlining.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQhEJRE0mpO8D7nYjxJZCgADrneVg19XN

### "Greenlining CRA Regulations Comments 08-2025" History

-  Document created by Chagan Sanathu (chagans@greenlining.org)  
2025-08-18 - 6:45:23 PM GMT
-  Document emailed to Olga Talamante (olga.talamante@greenlining.org) for signature  
2025-08-18 - 6:45:28 PM GMT
-  Email viewed by Olga Talamante (olga.talamante@greenlining.org)  
2025-08-18 - 7:24:12 PM GMT
-  Document e-signed by Olga Talamante (olga.talamante@greenlining.org)  
Signature Date: 2025-08-18 - 7:25:15 PM GMT - Time Source: server
-  Agreement completed.  
2025-08-18 - 7:25:15 PM GMT