



National Association of Real Estate Brokers, Inc.

9831 Greenbelt Road - Suite 309 | Lanham, MD 20706

April 7, 2020

The Honorable Joseph Otting
Comptroller of the Currency
Office of the Currency
400 7th Street, SW
Washington, D.C. 20219

The Honorable Jelena McWilliams
Chairwoman
Federal Deposit Insurance Corporation
550 17th St NW
Washington, D.C. 20429

RE: Regulatory Docket ID OCC-2018-0008 & RIN 3064-AF22

Dear Comptroller Otting & Chairwoman McWilliams:

We are writing you on behalf of the National Association of Real Estate Brokers, Inc. (NAREB), the country's oldest Black real estate trade association. Since 1947, NAREB we have led the charge for "Democracy in Housing" and have been involved with Community Reinvestment (CRA) since it was passed in 1977 with the goal of ending redlining in our communities. Since then, we have seen our communities grow causing its needs to change ever so rapidly. It is apparent that the CRA needs to be adapted to reflect those changes, however, we implore that the spirit of the law is not lost in this modernization effort and that families can still have access to financial services in this market.

NAREB continues to believe that homeownership plays a crucial component for families to build generational wealth. With the help of federal policies such as CRA, homeownership in the black community rose as high as 49% in 2004. However, with factors such as the 2008 financial crisis, that number currently sits at 44% as of Q4 2019 and with the most recent COVID-19 crisis those families could be at risk of losing their homes. This goes to show how the circumstances of American neighborhoods have shifted and there needs to be regulations that allow banks to invest in the areas in communities that need it the most.

To address the concerns of families and businesses across the country, NAREB would like to ask that regulators use these recommendations as guidelines for CRA Modernization

- 1.) Establish a clear, concise, and transparent grading system that holds institutions accountable. The current system is too ambiguous creating a lack of clarity between institutions and the communities they serve.
- 2.) Fair lending standards should be a part of the evaluation and scoring requirements for CRA. All institutions should be required to publish its annual fair mortgage lending activity reports on their website and as well as the website of the respective regulatory agencies.
- 3.) Institute tougher penalties for those institutions that consistently fail to meet the standards of said grading system.
- 4.) Encourage institutions to create minority Homeownership Outreach and Assistance programs as a CRA activity. This activity looks to create education opportunities for consumers who have historically found it difficult to enter the housing market.

- 5.) Require institutions to work with stakeholders to build their CRA plans. It is essential for communities to have a seat at the table to ensure their needs are adequately met.
- 6.) Each CRA activity should abide by a Diversity and Inclusion standard to ensure that communities of color have fair access to the banking system. Communities of color are vastly being underserved especially as institutions are closing more local branches and moving services online.

Modernizing the CRA is long overdue, and yet, NAREB looks to continue to keep a conscious and vigilant eye to guarantee that these adaptations are fair and equitable. Our goal is to increase access to affordable banking services so that we can invest in our communities either through homeownership or creating businesses. We look forward to working closely on this issue and if you have any further questions, please contact Antoine M. Thompson, National Executive Director via email: antoine.thompson@nareb.com or James Privette, Policy & Advocacy Coordinator, via email: james.privette@nareb.com, or phone: 301-552-9340.

Sincerely,

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CC:

The Honorable Sherrod Brown, Ranking Member
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The Honorable Senator Mike Crapo, Chairman
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The Honorable Maxine Waters, Chairwoman
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