

To: regs.comments@federalreserve.gov; regs.comments@occ.treas.gov; [Comments](#)
Cc: [Matthew R. Lee \[at\] FairFinanceWatch.org](mailto:Matthew.R.Lee@FairFinanceWatch.org)
Subject: RE: Proposed Changes to the Interagency Q&A Regarding Community Reinvestment
Date: Saturday, November 08, 2014 7:35:20 PM

November 8, 2014

By email to regs.comments@federalreserve.gov, regs.comments@occ.treas.gov,
comments@fdic.gov

Federal Reserve Board: Docket OP-1497

OCC: Docket ID OCC-2014-0021

FDIC: Attention: Robert E. Feldman, Executive Secretary

RE: Proposed Changes to the Interagency Q&A Regarding Community Reinvestment

To Whom It May Concern:

Fair Finance Watch is writing to respond to the request for comments on the proposed changes to the "Interagency Questions and Answers Regarding Community Reinvestment." We focus this timely comment on urging the agencies to reconsider the suggestions regarding alternative service delivery methods.

The notice states that "The Agencies propose deleting language that states 'performance standards place primary emphasis on full service branches' and further deleting the statement that provides that alternative systems are considered 'only to the extent' that they are effective alternatives in providing needed services to low- and moderate-income geographies and individuals."

In many low and moderate income neighborhoods, particularly communities of color, bank branches remain need and too-few. Whereas mergers and acquisitions result in numerous branch closings, the Agencies most often decline to make applicants public disclose which branches they would close. Now the Agencies propose to stop place "primary focus on full service branches." We oppose this.

For the record, US Bank closed branches; First Niagara is closing 17 branches, Citibank is closing branches: see final section of <http://www.occ.gov/topics/licensing/corporate-activities-weekly-bulletin/wb-10122014-10182014.pdf>

As stated by NCRC, access to banking services for low- and moderate-income (LMI) communities is a key component of CRA, and financial institutions must meet a high bar to prove that alternative service delivery methods are meeting the needs of LMI individuals. Until it is clear that alternative service delivery methods fully meet the needs of low- and moderate-income individuals and communities, bank branches should continue to receive greater weight on the service test of CRA examinations.

Our and NCRC's principal concerns are listed below.

1) There is a need to account for changes in banking technology and how customers engage with financial institutions. As a result of online and mobile technology, financial institutions can reach consumers in new ways, yet access to bank branches must continue to be given primary emphasis in determining a bank's CRA service test rating. Additionally, it must be made clear that financial institutions will not receive CRA credit even for the LMI individuals and geographies outside the financial institutions' established assessment areas that are reached through mobile or online technology. So long as assessment areas are regional, examiners must restrict their assessments to a financial institution's performance and services in those areas.

2) The existence of online and mobile technologies and services alone is insufficient. To warrant CRA credit, it must be clear that:

- a) those services are accessible to LMI individuals and geographies;
- b) there is actual adoption of those technologies by LMI individuals and geographies;
- c) those technologies are the preferred method of engagement; and
- d) those services are not the sole method for LMI individuals and geographies to engage financial institutions.

3) Regulators should not be awarding CRA credit for a financial institution's support for expanded broadband access. Broadband access is a growing need, especially in rural areas, and it is a clear priority for the Administration. But giving CRA credit for supporting broadband expansion is problematic. It is more important to use CRA credit to encourage financial institutions to find more direct ways to meet the needs of LMI individuals and geographies.

We urge the banking regulatory agencies to consider this feedback and to strengthen the revisions to the Interagency Questions and Answers document to ensure that LMI communities continue to receive adequate and accessible banking services. Thank you for your consideration.

Sincerely,

Matthew Lee, Esq., Executive Director
Inner City Press / Fair Finance Watch
Regular mail: PO Box 20047, NY NY 10017
Tel: 718-716-3540 - E-mail: MLee@innercitypress.org and this
South Bronx, New York - www.innercitypress.org