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February 27, 2018

Secretary Steven Mnuchin
United States Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin:

On behalf of the Congressional Black Caucus, we write to offer our views on the Trump Administration's broad review of the Community Reinvestment Act (CRA). We have serious concerns that this administration will potentially do lasting damage to the investment landscape in many underserved communities if any changes are made that ultimately weaken the CRA as a result of this "review." If this administration's recent regulatory practice is a guide, the review will determine that government regulation must be rolled back in favor of private sector activity. The problem with this view in this context is that the CRA *is* the government regulation that helps to spur private sector investment in our nation's historically underserved economies and communities.

The Members of the Congressional Black Caucus urge those who are performing the review to reach an honest conclusion that preserves the successes of the Community Reinvestment Act to ensure that whatever the next steps are do not impose economic harm on the communities the Act was originally intended to benefit. The CRA is a critically important economic policy created to remedy more than a century of exclusionary economic and financial policy in the private *and* public sectors. Now is not the time to make it harder for these communities to get ahead.

Many of our Members, in their capacity as Members of the House Committee on Financial Services, have written you previously in order to discuss the numerous important considerations at stake in assessing any changes to the policy or enforcement framework around the CRA. Collectively, we now encourage the administration and relevant banking regulators to tread cautiously with any potential changes that will result in decreased lending or investment in underserved communities, including communities of color that we represent. It is important for you to consider the following before deciding upon a course of action related to the future of the CRA:

- Determine whether CRA assessment areas are properly calibrated to maximize investment in underserved communities;
- Ensure that fair lending reviews are retained as a part of routine CRA compliance reviews so as to preserve the priority of the promotion of fair and affordable financial services while guarding against predatory and abusive lending;
- Determine whether any changes will increase or decrease the overall provision of affordable financial products to borrowers in financially underserved areas;
- Assess whether any changes will make the overall CRA framework less effective at incentivizing private lending in communities that have been historically excluded from affordable access to capital and credit;
- Consider whether redesigning the CRA framework will result in a more responsive financial services industry or one that continues to amass and create wealth while leaving black communities behind;
- Examine whether CRA changes, made in conjunction with other financial regulatory reductions, would impair the ability of non-partisan regulators to enforce a *fair lending* regime that ensures that banks (and potentially future non-banks with special charters) retain their responsibilities to lend into their communities, ensuring that wealth creation is a broadly shared component of American life for *all* Americans; and
- Explore whether other statutes and regulations are effectively promoting consumer protection, fair lending practices, and affordable credit products for underserved communities at their maximum potential.

We strongly urge you to avoid making any changes that will lead to decreased lending or investment in communities of color. The CRA is an important component of promoting economic growth in these traditionally underserved areas. It is critical to the nation's bank regulatory framework and an invaluable tool that ultimately encourages positive economic activity and affordable financial products such as mortgage loans, small business loans, investments and other financial services for low- and moderate-income neighborhoods within a bank's depository footprint.

Thank you for your consideration in this urgently important matter.

Sincerely,



Cedric Richmond
Chair, Congressional Black Caucus



Gregory Meeks

Co-Chair, Economic Development & Wealth Creation Task Force



Joyce Beatty

Co-Chair, Economic Development & Wealth Creation Task Force



Dwight Evans

Co-Chair, Economic Development & Wealth Creation Task Force

CC: Federal Reserve, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation