

October 9, 2026

The Honorable Jonathan V. Gould
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

The Honorable Travis Hill
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Community Reinvestment Act Regulations; Docket ID OCC-2026-0694; RIN 1557-AF57; RIN 3064-AG31

Dear Comptroller Gould and Chairman Hill,

On behalf of the National Housing Conference (NHC), the nation's oldest and broadest affordable housing coalition, I am writing to comment on the proposed amendments to the regulations governing the Community Reinvestment Act (CRA) published by the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) on August 12, 2026¹.

For nearly five decades, the Community Reinvestment Act has been an important component of the nation's financial system, helping to ensure that banks meet the credit needs of the communities they serve while investing in organizations and initiatives that have had lasting impact on low- and moderate-income residents. CRA was enacted in response to a long history of discriminatory lending practices² that denied many communities access to credit and investment. Those practices contributed to persistent disparities in homeownership, wealth creation, and neighborhood development that, unfortunately, remain evident today.

NHC has long supported modernizing CRA to reflect changes in banking, improve transparency and predictability, and provide appropriate flexibility for institutions to

¹ Community Reinvestment Act Regulations, 91 Fed. Reg. 52,114 (proposed Aug. 12, 2026).
<https://www.occ.gov/news-issuances/federal-register/2026/91fr252114.pdf>

² David M. Dworkin, "The History of Redlining," National Housing Conference, April 2019,
<https://nhc.org/the-history-of-redlining/>

respond to local conditions. However, we are concerned that this proposal would move the CRA framework in the wrong direction. Rather than strengthening incentives that encourage private investment in underserved communities, several proposed provisions would disincentivize such activity, reducing support for affordable housing and community development, as well as for the organizations that provide critical services in underserved communities.

Of particular concern is the impact on affordable housing and community development activities. CRA has helped encourage private investment in the creation of new affordable rental housing, preservation of existing housing, access to homeownership, and other activities that can be difficult to finance through conventional market channels alone. For example, CRA-motivated investment is critical to the supply of Low-Income Housing Tax Credit (Housing Credit) financing throughout the country. Banks provide approximately 75 to 80 percent of Housing Credit equity, and at least 71 percent of that investment, about \$21.4 billion, is CRA-motivated³. Raising the large bank asset threshold from \$1.649 billion to \$10 billion, as the regulation proposes, would remove the investment test for most of the banks that inject private capital into affordable rental housing. According to the National Association of Affordable Housing Lenders (NAAHL), only 256 of the 642 banks now classified as large would keep that designation, a drop of more than 60 percent⁴. Survey data from the Affordable Housing Tax Credit Coalition (AHTCC) indicates that banks with assets of \$1.649 billion to \$10 billion invested an estimated \$2 billion in Housing Credits over the five-year survey period. Additionally, NAAHL estimates that banks with less than \$10 billion in assets made \$27 billion in community development loans in 2024, representing 35% of all community development loans made in that year⁵. The AHTCC survey of syndicators also found that banks with assets below the proposed \$10 billion threshold provided approximately one-third of the Housing Credit investments made in rural areas, demonstrating the outsized role these institutions play in meeting housing needs in rural communities. The proposed rule would remove entirely the community development responsibility for banks with assets below \$1 billion, representing more

³ CohnReznick, 2025 Affordable Housing Credit Study, accessed September 18, 2026, <https://creditstudy.cohnreznick.com/credit-study>.

⁴ National Association of Affordable Housing Lenders. *Fact Sheet: CRA Asset Thresholds: National Housing & Community Development Impact of Proposed Changes to CRA* (August 2026), <https://static1.squarespace.com/static/67dd69627071be10fb7c3fb4/t/6a70b2525328625aadb890fa/1785770578560/CRA+NPR+National+Fact+Sheet+---+Asset+Thresholds+%28August+2026%29.pdf>.

⁵ National Association of Affordable Housing Lenders. *Incentive to Impact: How CRA Leverages Private Investments into Affordable Housing, Homeownership, Small Businesses, and Local Economies* (Center for Affordable Housing Lending, Summer 2026), https://static1.squarespace.com/static/67dd69627071be10fb7c3fb4/t/6a6296c2f95fab4060bd8828/1784846018733/NAAHL_CRA_Report_072326_V4-Web.pdf

than 800 institutions that play an important role in providing housing and community development investment in their communities.

The proposed rule included two alternative asset size thresholds for classification as a large bank. The first alternative, which would classify institutions with assets of \$3.252 billion or more as a large bank, would be far less disruptive to affordable housing and community development markets than the \$10 billion threshold. AHTCC estimates that it would affect 40 Housing Credit investors instead of 108, a reduction of about 63 percent, yielding an estimated \$272 reduction in Housing Credit equity rather than the \$2 billion estimated at the \$10 billion threshold. The second proposed alternative, which would set the large bank asset threshold at \$30 billion, would be far more damaging. AHTCC estimates that in the past five years banks with assets below this threshold invested approximately \$4.5 billion in Housing Credit equity.

Small and mid-sized banks play a vital role in the financing of critically needed affordable housing in communities throughout the nation. Meeting the pressing housing needs of the communities they serve is exactly the type of investment CRA was intended to promote. Taken together, reductions in CRA obligations for banks of all sizes could have far-reaching impacts on urban and rural communities throughout the country.

The proposed limitations on community development grants and donations are also concerning. NHC shares the agencies' goal of ensuring that CRA-motivated grants and donations produce meaningful community benefits. However, the proposed 15 percent limitation on indirect costs for such contributions is not suited to achieving that goal⁶. Reasonable operating costs are essential to an organization's ability to achieve community impact. Affordable housing organizations, community development financial institutions (CDFIs), housing counselors, and other community-based organizations require staff, technical assistance, outreach, compliance, and administrative capacity to turn financial commitments into successful projects and services. A rigid limitation could therefore discourage support for organizations that provide capacity critical to ensuring that investments yield intended results in underserved communities.

The proposed rule would also require for CRA purposes that a community development grant be used directly by the organization receiving the funds from the bank. Banks often partner with nonprofit intermediaries that distribute grants and loans to other nonprofit organizations conducting community development activities. Properly

⁶ Community Reinvestment Act Regulations, 91 Fed. Reg. at 52,119 (15 percent limitation); proposed 12 C.F.R. § 25.12.

structured intermediary arrangements can be an efficient and accountable mechanism for delivering resources to underserved communities. CRA regulations should permit the use of nonprofit intermediaries and provide standards for eligible uses of funds by end recipients and reporting of qualifying CRA activity by intermediaries.

CRA should also recognize Special Purpose Credit Programs (SPCPs) permitted under the Equal Credit Opportunity Act (ECOA).⁷ SPCPs can help lenders reach creditworthy borrowers who may be underserved by conventional underwriting, expanding participation in the financial system while addressing documented disparities in access to credit.⁸ NHC has long supported the use of SPCPs to expand access to homeownership and other forms of credit, consistent with the ECOA and the Fair Housing Act.⁹ NHC therefore recommends that the agencies expressly acknowledge qualifying lending conducted through lawful SPCPs in any revised CRA requirements. CRA evaluations should recognize programs designed to address documented credit needs and expand access to responsible credit, consistent with ECOA and Regulation B.

Further, this proposal continues a troubling pattern of inconsistency across banking regulations in recent years. Frequent and substantial shifts in regulatory policy create uncertainty for financial institutions of every size, requiring them to invest significant time and resources to update compliance systems, retrain staff, and adjust business practices. Those costs ultimately reduce the resources available to support lending, community development, and affordable housing. Regulatory structures with consistently changing objectives and parameters, particularly when such changes occur during times of economic uncertainty, lead to undue burdens within the very programs intended to encourage economic prosperity. Another wholesale revision to the CRA framework risks further disruption that could threaten initiatives to expand investment and improve access to credit.

In addition, this proposal conflicts with actions taken by Congress in recent years to increase the amount of capital available for affordable housing and community development. The One Big Beautiful Bill Act¹⁰ passed in 2025 permanently increased the

⁷ 15 U.S.C. §§ 1691–1691f. <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title15-chapter41-subchapter4&edition=prelim>

⁸ 12 C.F.R. § 1002.8. <https://www.consumerfinance.gov/rules-policy/regulations/1002/8>;
<https://www.consumercomplianceoutlook.org/articles/2022/fourth-issue-2022/overview-of-special-purpose-credit-programs-under-the-equal-credit-opportunity-act>

⁹ National Housing Conference, Comment Letter on Community Reinvestment Act Notice of Proposed Rulemaking, Docket Nos. R-1769, OCC-2022-0002, RIN 3064-AF81, at 4 (Aug. 5, 2022), <https://nhc.org/wp-content/uploads/2022/08/001-NHC-CRA-NPR-FINAL.pdf>.

¹⁰ An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119-21, §§ 70421–70422, 139 Stat. 72 (2025) (amending I.R.C. § 42).

allocation of Low-Income Housing Tax Credits to facilitate higher levels of private investment in affordable housing construction. This year, Congress passed the historic 21st Century ROAD to Housing Act¹¹, which, among other things, raised the Public Welfare Investment cap from 15% to 20%, expanding the capacity of banks to make qualifying investments in affordable housing and community development. Yet, just as Congress has acted to increase the ability of banks to invest in much needed affordable housing, this proposal eliminates or reduces a primary incentive for many institutions to make those investments. In turn, it could inhibit the success of Congress' efforts to address the nation's housing needs.

Finally, a change of this magnitude should not proceed with only two of three banking regulators. Institutions supervised by different federal regulators should not operate under materially different frameworks for CRA activity and liability. Given the importance of CRA to communities, financial institutions, and local economies nationwide, any significant revisions should include all three federal banking regulators, robust public engagement, and careful congressional oversight. Any future consideration of significant changes to CRA regulations should begin with an Advance Notice of Proposed Rulemaking issued jointly by all three regulators to ensure that banks, investors, housing providers, CDFIs, civil rights advocates, rural stakeholders, and others can assess likely outcomes before regulatory text is drafted.

A truly sustainable CRA modernization effort must have broad bipartisan support to ensure durability, effectiveness, and lasting change. NHC has [long stated](#) that any new CRA regulatory regime must:

1. Increase investment in communities that are currently underserved;
2. Benefit more low- and moderate-income people, particularly people of color, who live in those communities;
3. Ensure that CRA lending and investment does not lead to displacement of the very people it is meant to help; and
4. Make both bank performance and government enforcement more transparent and predictable¹².

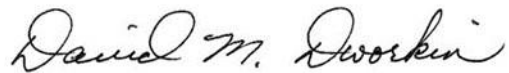
Unfortunately, the proposed regulatory changes will not achieve these objectives. NHC therefore opposes the proposal and urges the agencies to withdraw it. At a time when financial institutions and community organizations need stability and predictability,

¹¹ 21st Century ROAD to Housing Act, Pub. L. No. 119-101, § 203 (2026) (increasing the public welfare investment limit for national and state banks from 15 to 20 percent of unimpaired capital and surplus).

¹² David M. Dworkin, "There's a Historic Opportunity to Modernize the Community Reinvestment Act," *National Housing Conference*, August 2018, <https://nhc.org/modernizing-cra/>.

another significant change to the CRA framework risks disrupting the partnerships and investments that have been crucial to expanding access to affordable housing, credit, and economic opportunity.

Sincerely,



David M. Dworkin
President and CEO