

[Banking and Finance Law Daily Wrap Up, TOP STORY—Acting Comptroller calls House effort to stop CRA rule ‘horribly misguided’, \(Jul. 20, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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By Jacob Bielanski

Rollback of the OCC's rule changes, finalized without sign-on from other federal regulators by now-former Comptroller Joseph Otting in May, would result in a "terrible outcome" according to comments made by acting Comptroller Brian Brooks at a July 17 event in Charleston, S.C.

Acting Comptroller of the Currency Brian Brooks defended his department's recent unilateral changes to Community Reinvestment Act (CRA) considerations during [remarks](#) July 17 at the Access to Capital Forum in Charleston, S.C. "While we can applaud the trillions of dollars that CRA has encouraged banks to spend in the communities they serve since 1977, we must be honest that we have not moved the needle much on important economic equality indicators," Brooks said.

The Office of the Comptroller of the Currency finalized changes to the CRA considerations in May without sign-on from two other regulators, the Federal Deposit Insurance Corporation and the Federal Reserve Board, involved with implementing the law. While many groups at that time expressed agreement with the rule's broad goals of providing transparency to the CRA evaluation process, it was widely criticized for its lack of sign-on by the FDIC and Fed, as well as its implementation during the national response by the financial industry to the coronavirus pandemic.

An effort by the House of Representatives to overturn the rule through a Congressional Review Act vote was criticized as "horribly misguided" by Brooks. He told the audience that rollback of the OCC's CRA rule, though unlikely to pass the Senate or avoid a presidential veto, would hurt "Native Americans, people with disabilities, America's farmers, and small business owners." Rollback would also, according to Brooks, prevent future Comptrollers from improving CRA function. "That would be a terrible outcome," he said. The OCC's new rule also allows "synergy" between CRA efforts and the more recent Opportunity Zone (OZ) program from the Tax Cuts and Jobs Act (TCJA), according to Brooks.

Brooks also took the opportunity to highlight a new OCC effort to reduce barriers to economic participation by convening leaders in banking, civil rights, and technology. Dubbed "Project REACH," (Roundtable for Economic Access and Change) Brooks said the effort has already identified three specific areas to target: elimination of what he called "credit invisibles;" increasing affordable and sustainable housing; and assisting "minority-depository institutions." Brooks offered an example of the group's work, where it was attempting to create alternate methods of building credit through factors such as rent and utility payments, in order to help approximately "40 to 50 million people [in the U.S.] who don't have a meaningful credit score." Brooks identified participation in Project REACH by the National Urban League, executives from at least three of the nation's largest banks, and "leaders from minority-owned banks," among others.

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