U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES DEMOCRATS

Press Releases

Ranking Member Maxine Waters and Full Democratic Membership of the Committee Warn Trump-Appointed Regulators Against Weakening Community Reinvestment Act, Demand More Time for Public Review

Washington, September 25, 2026

This week, **Congresswoman Maxine Waters (D-CA),** the top Democrat on the House Financial Services Committee, and the full Democratic membership of the Committee, **Nydia Velázquez (D-NY); Brad Sherman (D-CA); Gregory Meeks (D-NY); Stephen Lynch (D-MA); Al Green (D-TX); Emanuel Cleaver (D-MO); Jim Himes (D-CT); Bill Foster (D-IL); Joyce Beatty (D-OH); Juan Vargas (D-CA); Josh Gottheimer (D-NJ); Vicente Gonzalez (D-TX); Sean Casten (D-IL); Ayanna Pressley (D-MA); Rashida Tlaib (D-MI); Ritchie Torres (D-NY); Sylvia Garcia (D-TX); Nikema Williams (D-GA); Brittany Pettersen (D-CO); Cleo Fields (D-LA); Janelle Bynum (D-OR); Sam Liccardo (D-CA);** and **Everton Blair (D-GA)** sent a letter to Federal Deposit Insurance Corporation (FDIC) Chairman Travis Hill and Comptroller of the Currency Jonathan Gould calling for the FDIC and Office of the Comptroller of the Currency (OCC) to extend the public comment period to at least 120 days on sweeping proposed changes to the Community Reinvestment Act (CRA).

In the letter, the lawmakers warned that the more than 400-page proposal could significantly change how banks are held accountable for serving their communities. The proposal would narrow how regulators evaluate banks' lending and services, make it easier for banks to receive an "outstanding" rating, and reduce the number

of banks evaluated for their community development activities. The CRA requires banks to help meet the credit needs of the communities they serve, including low- and moderate-income neighborhoods.

> "Taken together, the proposed revisions likely will significantly impact which institutions are encouraged to meet the credit needs of their communities through activities that extend beyond lending such as community development activities," **the lawmakers wrote.**

Moreover, the consequences could extend well beyond how banks are graded. Committee Democrats cautioned that the proposal could undermine the historic, bipartisan housing reforms Congress recently enacted through the 21st Century ROAD to Housing Act by weakening incentives for investments that support affordable housing and community development. Those concerns are widely shared. More than 375 financial institutions, religious groups, small businesses, local governments, and community organizations have raised "serious concerns" about the proposal and said they need more time to fully assess its impact.

Adding to those concerns is how regulators advanced the proposal in the first place. The FDIC Board adopted the sweeping changes behind closed doors through a notational vote rather than at a public meeting where Americans could observe regulators debate and discuss the proposal. Committee Democrats argued that a rule of this scale demands greater transparency and meaningful public input, not a rushed process.

> "As we and other stakeholders analyze this new proposal, we request that the public comment period be extended to no less than 120 days to give members of the public more time for substantive review and comment on this sweeping proposal," **the lawmakers added.**

Committee Democrats have consistently fought to ensure the CRA remains a strong tool for expanding access to credit and investment in communities that have too

often been shut out. A proposal that could reshape those protections and affect affordable housing and community investment across the country demands full public scrutiny. Regulators must give the public the time necessary to understand these sweeping changes and make their voices heard.

The full letter is available [HERE].

Background on Committee Democrat's work on the Community Reinvestment Act:

- On April 9, 2019, the Consumer Protection and Financial Institutions Subcommittee convened a hearing entitled, "The Community Reinvestment Act: Assessing the Law's Impact on Discrimination and Redlining."

- On December 12, 2019, then Chairwoman Waters led a delegation of the Committee in attending a public meeting of the FDIC's Board of Directors where CRA was on the agenda.

- The Members' trip to the FDIC followed a letter sent to banking regulators led by then Chairwoman Waters and then Consumer Protection and Financial Institutions Subcommittee Chairman Gregory Meeks (D-NY) and signed by all 34 Committee Democrats, along with all 12 Senate Banking Committee Democrats led by Ranking Member Sherrod Brown (D-OH). The letter, addressed to FDIC Chairman McWilliams, Federal Reserve Chairman Jerome Powell, and OCC Comptroller Joseph Otting, called on the regulators to, at a minimum, include a public comment period of at least 120 days for any proposal reforming CRA to ensure it gets a full vetting and that all interested parties have an opportunity to analyze and comment on the proposal.

- On January 14, 2020, the Subcommittee on Consumer Protection and Financial Institutions, then chaired by Rep. Gregory Meeks (D-NY), convened a hearing with stakeholders testifying entitled, "The Community Reinvestment Act: Reviewing Who Wins and Who Loses with Comptroller Otting's Proposal."

- On January 15, 2020, then Chairwoman Waters opened an investigation into potential astroturfing efforts to influence the OCC and FDIC's CRA rulemaking, demanding the agencies explain efforts to ensure legitimacy of the rulemaking process.

- On January 29, 2020, then Chairwoman Waters convened a hearing entitled, "The Community Reinvestment Act: Is the OCC Undermining the Law's Purpose and Intent?" with Comptroller Otting testifying as the sole witness.

- On February 6, 2020, the Oversight and Investigations Subcommittee, then chaired by Rep. Al Green (D-TX), convened a hearing with stakeholders entitled, "Fake It Till They Make It: How Bad Actors Use Astroturfing to Manipulate Regulators, Disenfranchise Consumers and Subvert the Rulemaking Process." As part of the hearing, witnesses discussed allegations that Comptroller Otting, when he was the CEO of OneWest Bank, may have been involved in fabricating comments in support of OneWest's merger with CIT.

- On February 24, 2020, in response to efforts by then Chairwoman Waters and Committee Democrats to ensure the public had enough time to provide comment on the OCC and FDIC's Notice of Proposed Rulemaking to overhaul CRA regulations, the agencies announced a 30-day extension of the comment period.

- On March 6, 2020, the Subcommittee on Consumer Protection and Financial Institutions, then chaired by Rep. Gregory Meeks (D-NY), convened a field hearing with stakeholders in Queens, New York, entitled, "Modern-Day Redlining: the Burden on Underbanked and Excluded Communities in New York."

- On April 7, 2020, then Chairwoman Waters led a letter signed by all other Committee Democratic Members to Comptroller Otting and Jelena McWilliams, Chairman of the Federal Deposit Insurance Corporation (FDIC), urging them to

prioritize a strong response to the COVID-19 pandemic and suspend efforts to revise the Community Reinvestment Act and any unrelated rulemakings.

- On June 29, 2020, the House of Representatives passed H.J. Res 90, a Congressional Review Act resolution of disapproval to nullify the OCC's harmful Community Reinvestment Act rule introduced by Rep. Waters and Rep. Meeks.

- On July 22, 2021, then Chairwoman Waters released a statement applauding the OCC's decision to rescind the 2020 Community Reinvestment Act rule and work with the FDIC and the Federal Reserve to draft a new rule.

- On July 13, 2022, the Subcommittee on Consumer Protection and Financial Institutions convened a hearing entitled, "Better Together: Examining the Unified Proposed Rule to Modernize the Community Reinvestment Act."

- On August 8, 2022, then Chairwoman Waters led a letter with 76 Democratic Members of the U.S. House of Representatives to the leaders of the Board of Governors of the Federal Reserve System (Fed), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) urging the regulators to consider carefully the comments they receive from civil rights and community groups as well as other stakeholders to their joint proposed rulemaking to modernize the CRA.

- On September 15, 2022, Rep. Waters introduced the "Making Communities Stronger Through the Community Reinvestment Act" (H.R. 8833, 117th Cong.), a bill to modernize CRA to combat modern-day redlining and ensure banks are providing equal access to affordable credit and investing in the communities they serve.

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