



Legislative and Regulatory Activities Division  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street SW,  
Suite 3E-218  
Washington, DC 20219

Re: 12 CFR Parts 25 and 195 - [Docket ID OCC-2018-0008] - RIN 1557-AE34; Reforming the Community Reinvestment Act Regulatory Framework

On behalf of the members of the MD| DC Credit Union Association and the 125 Credit Unions and their 2.2 million members that we represent, we appreciate the opportunity to comment on the Office of the Comptroller of the Currency's Request for Comments 12 CFR Parts 25 and 195 - [Docket ID OCC-2018-0008] - RIN 1557-AE34; Reforming the Community Reinvestment Act Regulatory Framework.

We support the goal of increasing access to loans and other financial products to all Americans, regardless of income, geography or any other demographic or socioeconomic factors. We thank the Office of the Comptroller of the Currency for looking into ways to improve the Community Reinvestment Act (CRA).

Credit Unions should not be added to the Community Reinvestment Act. Congress passed this law in 1977 to reduce discriminatory lending practices against low-income neighborhoods. These discriminatory practices were consciously and strategically created and implemented by Wall Street banks. There is no question that these practices were wrong and the harm from these still resonates through society to this day. Credit Unions have never had this issue.

Credit Unions were created to serve the public, not to create profit for shareholders. This responsibility is so central to our makeup that it is codified as the first definition on the first page of the Federal Credit Union Act – "The term 'Federal credit union' means a cooperative association organized in accordance with the provisions of this chapter for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes.<sup>1</sup> Adding Credit Unions to the CRA would no different than saying that Credit Unions have not fulfilled their congressionally mandated purpose. This could not be further from the truth.

Credit Union field of membership requirements ensure that the funds that are deposited in Credit Unions flow back into the same communities. Credit unions can only make loans to people within their defined field of membership, not the public at large. Deposits are made,

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<sup>1</sup> 12 U.S.C §1752(1)

and loans are given to the same, narrowly defined, population. Wall Street banks can typically serve whoever they please, and prior to CRA passage, they showed that they would not lend to low-income communities in many instances. Credit Unions have not had a similar issue.

Credit Unions are not-for-profit member-owned financial institutions, and as such, the Credit Union model is self-regulating. Through our democratic process, our members can change practices that they disagree with. Credit Unions don't need encouragement, in the form of regulations, to serve their membership. National survey data from the 2016 Federal Reserve study of consumer finances showed that 62% of primary credit union customers have incomes between \$25,000 and \$100,000, as compared to 54.2% for banks. The numbers show, despite what the opposition will state, that we continue to serve the consumers in communities that need our help. Forcing Credit Unions to comply with unnecessary regulations will only hurt credit union members by limiting our ability to lend at the best rates possible.

The MD|DC Credit Union Association is categorically opposed to credit unions being added to CRA requirements. It would set a bad precedent for good actors being regulated for no reason. We always appreciate the invitation to comment and look forward to continued dialogue.

Sincerely,

A handwritten signature in blue ink that reads "John Bratsakis". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Bratsakis  
President/CEO  
MD|DC Credit Union Association