

**February 17, 2021**

**ATTORNEY GENERAL RAOUL SUPPORTS FEDERAL RESERVE PROPOSAL TO STRENGTHEN THE  
COMMUNITY REINVESTMENT ACT**

**Chicago** — Attorney General Kwame Raoul, as part of a coalition of 23 attorneys general, submitted a comment letter supporting the Federal Reserve's (Fed) proposed rule to strengthen regulations under the Community Reinvestment Act (CRA). The CRA was enacted by Congress to prevent racially discriminatory redlining in housing, and encourage banks and savings associations to help meet the credit needs of all segments of their communities, including low- and moderate-income neighborhoods and individuals.

"It is more important than ever to safeguard and strengthen CRA protections as we continue to battle the COVID-19 public health and economic crisis," Raoul said. "The Fed's proposal will reinforce vital access to banking and credit services for low-income communities and communities of color, and it is an important step as we continue to work to address systemic inequality."

Since the CRA was enacted in 1977, it has helped direct trillions of dollars in investments back to low- and moderate-income communities, increasing access to financial services and loans that incentivize the availability of affordable housing, and support small businesses across the country.

Compliance with the CRA is overseen by three regulatory agencies: the Federal Reserve Board of Governors, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation. On Sept. 21, 2020, the Fed – following OCC rulemaking that was strongly condemned by Raoul and a coalition of attorneys general as antithetical to the goals of the CRA – put out a request for comments on its separate, independent proposal to strengthen, clarify, and tailor CRA regulations to reflect the current banking landscape and better meet the core purpose of the law.

In their comment letter, Raoul and the coalition applaud the Fed's efforts and reemphasize the CRA's critical impacts, including on:

- **Affordable housing and preventing homelessness**, with the Fed's proposal taking steps to help designate housing for very-low income, homeless, or other hard-to-serve populations as being particularly responsive for CRA evaluations.
- **Serving the financial needs of low- and moderate-income communities**, with the Fed's proposal expected to keep banks accountable and responsive through community input in the evaluation process of bank activities under the CRA.
- **Potential for increasing access to credit and deposit services for small businesses hit hard by the pandemic**, with the proposal tightening the definition of small businesses and farms in order to better meet the credit and banking services needs of residents who may have struggled to obtain relief.

Joining Raoul in the comment are the attorneys general of California, Connecticut, Delaware, the District of Columbia, Hawaii, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia and Washington.