

United States Senate

WASHINGTON, DC 20510

October 8, 2026

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

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

Dear Comptroller Gould and Chairman Hill:

We write with deep concern regarding the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation's (FDIC) proposed rule to gut the *Community Reinvestment Act* (CRA), a critical tool for driving investment into communities, building more housing, and combating redlining.¹ This proposal undermines the recently-passed bipartisan *21st Century ROAD to Housing Act*—the most comprehensive law passed in over three decades to address the nation's housing crisis.² Your agencies should be working with Congress and stakeholders to strengthen and incentivize investments in communities, not advancing proposals that would reduce private-sector investments in community development and affordable housing. We urge the OCC and FDIC to immediately withdraw this proposed rule.

Congress passed the CRA in 1977 to redress unlawful discriminatory lending practices, such as redlining that systematically denied loans and other financial services to communities based on race.³ The law requires federal banking regulators to assess whether banks are meeting the credit needs of the entire communities they serve, including low- and moderate-income (LMI) neighborhoods, on fair and equal terms. For over 40 years, the CRA has helped promote lending and investment in affordable housing and community development and has become one of your agencies' most critical tools to combat the effects of decades of unlawful discriminatory banking and lending practices. In fact, in 2024 alone, the CRA led to over \$430 billion in lending and investments in LMI communities.⁴

¹ Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation, Federal Register Notice, "Community Reinvestment Act Regulations," August 12, 2026, <https://www.federalregister.gov/documents/2026/08/12/2026-16454/community-reinvestment-act-regulations>.

² 21st Century ROAD to Housing Act, Public Law 119-101.

³ National Public Radio, "Why banks are fighting changes to an anti-redlining program," Adrian Ma and Darian Woods, February 15, 2024, <https://www.npr.org/transcripts/1197961870>.

⁴ National Association of Affordable Housing Lenders, "The Community Reinvestment Act Generated More than \$430 Billion in Private Investment in 2024, Nearly Six Times the Combined Federal Housing and Small Business Budget," July 24, 2026, <https://naahl.org/news/incentive-to-impact>.

Despite the importance of the CRA, your agencies are moving to severely weaken the CRA framework. In 2025, your agencies, along with the Federal Reserve (Fed), proposed rescinding the 2023 CRA final rule and returning to the previous CRA rule, abandoning long-overdue reforms intended to modernize regulations that had not been substantially updated since 1995.⁵ The 2023 final rule was the product of nearly three years of rulemaking and extensive public input and sought to account for fundamental changes in how banks conduct business, including the rise of online and mobile banking⁶ and decline in the number of brick-and-mortar bank branches.⁷ The 1995 framework focused CRA evaluations primarily on a bank's activities in the geographic areas surrounding its physical branches and ATMs, which is an increasingly inadequate measure of whether banks are meeting their lending and community investment obligations.⁸ That framework not only fails to reflect modern banking practices, but can leave significant portions of a bank's lending footprint outside meaningful CRA review despite the statute's direction that regulators assess the bank's record of meeting the credit needs of its "entire community."⁹

Your proposed rescission followed a lawsuit brought by banking industry trade associations challenging the 2023 final rule in the industry-friendly Northern District of Texas alleging that the final rule exceeded your agencies' statutory authority and violated the CRA.¹⁰ Judge Kacsmaryk preliminarily enjoined the 2023 final rule, preventing it from taking effect against the plaintiffs pending resolution of the litigation.¹¹ Although your agencies and the Fed initially appealed that decision to the Fifth Circuit, you have since asked the court of appeals to pause consideration of the case while you pursued rulemaking. In July, your agencies went even further, moving to withdraw from the appeal and for the district court to enter final judgment against the OCC and FDIC—essentially accepting the plaintiffs' statutory interpretations. Those decisions will leave the CRA with an outdated framework that fails to reflect how Americans access banking services today.

⁵ Federal Deposit Insurance Corporation, Federal Reserve Board, and Office of the Comptroller of the Currency, "Agencies Issue Joint Proposal to Rescind 2023 Community Reinvestment Act Final Rule," press release, July 16, 2025, <https://www.fdic.gov/news/press-releases/2025/agencies-issue-joint-proposal-rescind-2023-community-reinvestment-act>.

⁶ Federal Deposit Insurance Corporation, "Interagency Overview of the Community Reinvestment Act Final Rule," October 24, 2023, <https://www.fdic.gov/news/fact-sheets/interagency-overview-cra-final-rule-10-24-23.html>.

⁷ Board of Governors of the Federal Reserve System, "Community Reinvestment Act 2023 Rulemaking," July 16, 2025, <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-final-rule.htm>.

⁸ Federal Deposit Insurance Corporation, "Interagency Overview of the Community Reinvestment Act Final Rule," October 24, 2023, <https://www.fdic.gov/news/fact-sheets/interagency-overview-cra-final-rule-10-24-23.html>.

⁹ Written Testimony of Martin J. Gruenberg to the U.S. Senate Committee on Banking, Housing, and Urban Affairs, November 14, 2023, https://www.banking.senate.gov/imo/media/doc/gruenberg_testimony_11-14-23.pdf.

¹⁰ Texas Bankers Association, Amarillo Chamber of Commerce, American Bankers Association, et al. v. Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation, 2:24-cv-00025-Z-BR (N.D. Tex., March 29, 2024).

¹¹ Texas Bankers Association, Amarillo Chamber of Commerce, American Bankers Association, et al. v. Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation, Brief for Defendants-Appellants, No. 24-10367, U.S. Court of Appeals for the Fifth Circuit, July 18, 2024, <https://business.cch.com/BFLD/Banking-Agencies-Appellate-Brief-CRA-Rules-Challenge-ECF-49-07182024.pdf>.

But now your agencies have changed course yet again, for the worse. Instead of simply reinstituting the 1995 rules, the new proposed rule goes a step further and would weaken the 1995 rules. Specifically, the proposed rule would:

- **Expand Exemptions from More Robust Examinations.** The proposal would raise the threshold for a “large bank” from roughly \$1.65 billion to \$10 billion in assets, exempting more than 1,500 banks, or 36 percent of banks nationwide,¹² from the CRA’s more rigorous examination, data reporting, and community development requirements. Your agencies even ask for comment on whether the threshold should be higher at \$30 billion.¹³ Banks under this threshold provided approximately \$27 billion in loans in just 2024.¹⁴ This means hundreds of banks will no longer be subject to CRA requirements, likely reducing investments and lending in community development and affordable housing.
- **Risk Massive Reductions in Community Development Financing.** The OCC and FDIC propose that as little as the equivalent of 0.625% of tier 1 capital devoted to annual community development loans for large banks—as well as 0.625% of tier 1 capital for qualified investments and grants—could merit a passing CRA rating.¹⁵ The National Community Reinvestment Coalition (NCRC) analyzed the most recent CRA performance evaluations of the top 100 banks by assets and found that the median percentage of annual community development lending in assessment areas was 6.8% of tier 1 capital, and the median for annual qualified investments was 3.6% of tier 1 capital, well above 0.625%.¹⁶ If these banks were to reduce their community development financing down to 0.625% of tier 1 capital, it would reduce community development financing by over \$87 billion a year.
- **Make it Easier to Earn CRA Credit.** The proposal would weaken the standard for earning CRA credit, undermining the original intent of the CRA. The proposal eliminates the purpose test, the requirement that a CRA activity benefits LMI areas,¹⁷ meaning that a

¹² National Association of Affordable Home Lenders, “NAAHL Cautions Against Changes to CRA that Would Reduce Affordable Housing and Community Development Outcomes,” August 3, 2026, <https://naahl.org/news/naahl-statement-on-proposed-cra-rule>.

¹³ Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation, Notice of Proposed Rulemaking: Community Reinvestment Act Regulations, p. 35, <https://www.occ.gov/news-issuances/news-releases/2026/nr-ia-2026-64a.pdf>

¹⁴ National Association of Affordable Housing Lenders, “The Community Reinvestment Act Generated More than \$430 Billion in Private Investment in 2024, Nearly Six Times the Combined Federal Housing and Small Business Budget,” July 24, 2026, <https://naahl.org/news/incentive-to-impact>.

¹⁵ Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation, Federal Register Notice, “Community Reinvestment Act Regulations,” August 12, 2026, <https://www.federalregister.gov/documents/2026/08/12/2026-16454/community-reinvestment-act-regulations>.

¹⁶ National Community Reinvestment Coalition, “CRA’s New Benchmark Could Put 85% of Current Community Development Activity at Risk,” September 10, 2026, <https://ncrc.org/cras-new-benchmark-could-put-85percent-of-current-community-development-activity-at-risk/>.

¹⁷ Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation, Federal Register Notice, “Community Reinvestment Act Regulations,” August 12, 2026, <https://www.federalregister.gov/documents/2026/08/12/2026-16454/community-reinvestment-act-regulations>.

bank could receive CRA credit for economic development activities that don't benefit LMI communities.

- **Narrow Products Examined.** The proposal would also narrow CRA examinations by evaluating only banks' major lending products, excluding deposit services from consideration,¹⁸ which means examiners will no longer have to evaluate checking and savings accounts and banks will no longer have incentives to address disparities in deposit products in unbanked and underbanked communities.
- **Restrict Community Development Grants to Nonprofits.** The proposal would limit CRA credit for grants that support community development by tying funds to specific projects and for large banks, placing a cap of 15 percent on the amount of the grant that can go toward basic nonprofit operating costs.¹⁹ The proposal even considers eliminating all grants and donations from CRA consideration. Many organizations that serve LMI communities rely on these grants and donations for funding, and these changes would discourage banks from providing grants and make it harder for organizations to provide community development services.
- **Exacerbate CRA grade inflation.** The proposed rule would allow small and intermediate banks to receive an overall rating of "satisfactory" if they get a rating of "satisfactory" on only the lending test, rather than on both the lending and community development test.²⁰ This grade inflation ultimately weakens the effectiveness of the CRA at capturing the discriminatory lending practices it was designed to prevent.
- **Request Less Data From Banks.** Under this proposal, banks with \$10 billion or less in assets would no longer have to provide, collect, or report data on small business loans, community development loans or small farm loans,²¹ meaning that communities would lose critical data to understand whether credit needs are being met.
- **Let Banks off the Hook for Redlining and Fair Lending Violations.** The proposal would essentially exclude the consideration of redlining violations and other forms of discrimination in CRA ratings by subtly adding discrimination against "applicants" instead of referring to all discriminatory practices.²² This means that a bank could argue that discriminatory conduct, such as not providing equal access to or quality services in certain neighborhoods, falls outside of CRA downgrading consideration since the discriminatory behavior wasn't against an individual applicant. Further, the proposal would remove the root cause of the violation, the severity of the harm, the duration of the violation, and the pervasiveness of the violation as considerations for a CRA rating downgrade.²³ In practice, these changes would allow banks that exhibit discriminatory

¹⁸ Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation, Federal Register Notice, "Community Reinvestment Act Regulations," August 12, 2026, <https://www.federalregister.gov/documents/2026/08/12/2026-16454/community-reinvestment-act-regulations>.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ *Id.*

practices to receive higher ratings than they otherwise should, undermining the intent of the CRA statute.

- Fail to Incorporate Special Purpose Credit Programs and Undermines Robust Mortgage Lending.** The 2023 CRA final rule incorporated CRA credit for special purpose credit programs (SPCPs) based on them being “universally” supported by commenters. The proposed rule would abandon this prior consensus despite the evidenced impact of SPCPs, such as those backed by Fannie Mae and Freddie Mac that have assisted nearly 60,000 people of all races in fairly accessing homeownership and generated \$17.2 billion in economic activity from 2022-2024 alone.²⁴ Additionally, the proposed rule would eliminate mortgage lending activity from the definition of affordable housing, which undermines incentives for banks to offer mortgage credit as they continue to reduce their mortgage lending footprints.²⁵
- Dilute the Impact of Affordable Housing Investments.** The proposal contemplates expanding the definition of affordable housing to include investments made to higher income individuals in high-cost areas.²⁶ These changes have the potential to not only undermine the statutory focus on LMI communities, but to also divert investments away from harder-to-serve areas such as communities experiencing persistent poverty, small towns, and rural areas. Instead, these changes may reward banks with higher CRA credit for concentrating investments in high-demand areas where capital may already tend to flow.

These changes would have significant consequences for communities across the country. Banks that currently face more comprehensive evaluations of their lending, investment, and community development activities would now be subject to fewer data collection and reporting requirements making it harder to understand whether banks are meeting local credit needs. Ultimately, the OCC and FDIC’s proposed rule will reduce incentives for banks to finance affordable housing, support small businesses, and make other community development investments in LMI communities all while the country faces an affordability crisis.

Weakening the CRA framework would be a major step backwards and would disregard years of bipartisan work to ensure LMI and historically underserved communities have fair and equal access to economic and lending opportunities. It would also represent a step backward from the bipartisan consensus built with the landmark *21st Century ROAD to Housing Act*. We strongly urge your agencies to withdraw this proposed rule and defend the 2023 final rule in court.

Given our concerns, we ask that your agencies respond to the following questions by October 22, 2026.

²⁴ Federal Housing Finance Agency, Federal Register Notice, “Fair Lending, Fair Housing, and Equitable Housing Finance Plans,” July 28, 2025, <https://www.federalregister.gov/documents/2026/02/06/2026-02325/fair-lending-fair-housing-and-equitable-housing-finance-plans>.

²⁵ Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation, Federal Register Notice, “Community Reinvestment Act Regulations,” August 12, 2026, <https://www.federalregister.gov/documents/2026/08/12/2026-16454/community-reinvestment-act-regulations>.

²⁶ *Id.*

1. For each proposed change, please identify the specific failure in the 1995 CRA regulations that justifies the proposed change, including weakening or even eliminating the existing requirements.
2. Did your agencies conduct analysis on the expected reduction in the following investments or activities? Please provide state by state analysis of these impacts.
 - a. Affordable housing investments and financing;
 - b. Investments in and financing provided by CDFIs and minority depository institutions;
 - c. Community development grants and donations;
 - d. Community development loans;
 - e. Community development activities conducted by small, intermediate, and large banks (disaggregated by bank size); and
 - f. Community development activities in rural areas.
3. What analysis did the agencies conduct to determine that \$1 billion and \$10 billion are the appropriate asset thresholds?
4. What analysis did the agencies conduct to determine that 0.625% of tier 1 capital is the minimum level of community development loans or investments to receive a passing rating?
5. Please explain the purpose for adding the word “applicants” to the rule. Would this prevent examiners from considering redlining or other discriminatory practices? What type of redlining conduct would result in a CRA rating downgrade?
6. Why did your agencies remove the root cause of the violation, the severity of the harm, the duration of the violation, and the pervasiveness of the violation from consideration of whether a CRA rating downgrade is warranted?
7. Why does the proposed rule not incorporate statutorily authorized special purpose credit programs under the *Equal Credit Opportunity Act*?
8. At a time when Congress has enacted bipartisan legislation to increase the nation’s housing supply and address housing affordability, why are your agencies proposing changes that could reduce incentives for banks to finance affordable housing?
9. Did your agencies analyze whether this proposal would have the opposite effect, essentially undermining Congress’s bipartisan law, by reducing bank lending and investments that support affordable housing?

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



Jack Reed
United States Senator



Mark R. Warner
United States Senator



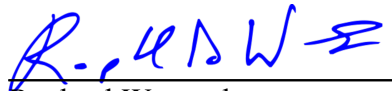
Chris Van Hollen
United States Senator



Catherine Cortez Masto
United States Senator



Tina Smith
United States Senator



Raphael Warnock
United States Senator



Andy Kim
United States Senator



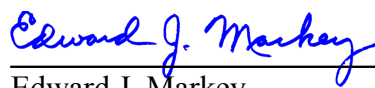
Ruben Gallego
United States Senator



Lisa Blunt Rochester
United States Senator



Angela D. Alsobrooks
United States Senator



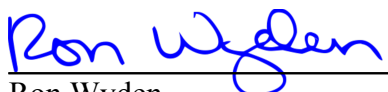
Edward J. Markey
United States Senator



Kirsten Gillibrand
United States Senator



Cory A. Booker
United States Senator



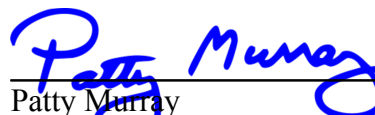
Ron Wyden
United States Senator



Tammy Baldwin
United States Senator



Christopher A. Coons
United States Senator



Patty Murray
United States Senator



Bernard Sanders
United States Senator



Richard J. Durbin
United States Senator



Richard Blumenthal
United States Senator