VIRGINIA BANKERS ASSOCIATION

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Via Federal eRulemaking Portal: www.regulations.gov

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E–218
Washington, D.C. 20219

Re: Reforming the Community Reinvestment Act Regulatory Framework, Docket ID OCC–2018–0008

Dear Madam or Sir:

The Virginia Bankers Association ("VBA") represents banks of all sizes and charters and has served as the organized voice for Virginia's $615 billion banking industry and its 42 thousand employees since 1893. We commend the Office of the Comptroller of the Currency ("OCC") for its leadership in soliciting input on ways to update the Community Reinvestment Act ("CRA") regulatory and supervisory framework.

We appreciate the opportunity to comment on the OCC's advance notice of proposed rulemaking. Over the past several decades, CRA regulation and supervision have become overly complex and unpredictable, and have failed to keep pace with the way the consumers use technology to access financial products and services. The need to update CRA will continue to grow more pressing as both technology and the financial services industry evolve.

Two areas of particular concern for our banks in regard to current CRA regulation and supervision are Assessment Areas and lack of transparency in CRA ratings. The determination of Assessment Areas is overly restrictive and arbitrary, and the practice of tying Assessment Areas to branches and political boundaries is rigid and outdated. Modernization of the CRA should take into account technology's impact on the delivery of financial services. Previously, branches were the predominant delivery channel through which banks provided products and services. Today, however, many consumers access banking services via their computers and smart phones. While branches continue to play a role in generating deposits and delivering services, they are only one channel among many, and not the sole channel through which customers conduct their banking. Tying Assessment Areas to political subdivision boundaries imposes arbitrary barriers to a bank's ability to logically expand the reach of its services to customers by increasing the risk inherent in an unnecessarily expansive CRA Assessment Area. Additionally, it is critical that the OCC contemplate how any revisions to the Assessment Area framework will impact the potential creation of a CRA ratio.

The second area of concern for our banks in regard to current CRA regulation and supervision is a lack of transparency and consistency regarding the assignment of CRA ratings. Our member banks have found that what is considered Excellent, Good/Adequate, Poor or Very Poor performance in CRA is too subjective and often depends on which examiner conducts the exam. The unspecified expectations of regulators combined with inconsistent treatment of activities that may or may not receive credit from one exam to the next create preventable challenges and frustration among our member banks attempting to meet CRA requirements. It would be beneficial for the OCC to provide clarity regarding activities that receive positive CRA consideration through an illustrative, but not exclusive, list of approved CRA activities and a timely process through which banks could receive advanced confirmation of eligibility for credit.

Thank you for the opportunity to provide comments to the CRA advance notice of proposed rulemaking. We urge the OCC to work with the Federal Deposit Insurance Corporation and the Federal Reserve Board to develop a proposed rule based on the comments received. If you have any questions, please feel free to contact me at 804-819-4701 or bwhitehurst@vabankers.org.

Sincerely,

Bruce T. Whitehurst
President & CEO