October 13, 2026

Federal Deposit Insurance Corporation
Jennifer M. Jones, Deputy Executive Secretary
Attention: Comments RIN 3064-AG31
550 17th St. NW
Washington, DC 20429

Office of the Comptroller of the Currency
Chief Counsel's Office
Attention: Comment Processing
400 7th St. SW, Suite 1E-216
Washington, DC 20219

Re: *Community Reinvestment Act* Regulations Proposed Rule
FDIC RIN 3064-AG31
OCC Docket ID OCC-2026-0694

To Whom It May Concern:

Thank you for the opportunity to provide feedback on the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation's (FDIC) proposal to reform Community Reinvestment Act (CRA) regulations. The below signed organizations comprise the steering committee of the ACTION Campaign, which is a national grassroots coalition of more than 2,400 national, state, and local organizations and businesses focused on protecting, expanding, and strengthening the Low-Income Housing Tax Credit (Housing Credit) program.

For nearly half a century, CRA has driven banks to extend private capital financing to local communities they serve, combating the legacy of redlining, promoting equitable lending, and facilitating reinvestment in low- and moderate-income places and people. CRA has spurred lending and investments in homeownership, small businesses, healthcare, childcare, and other community needs, but nowhere is its impact more pronounced than in the effect CRA has had on the production of affordable rental housing through the Housing Credit program.

The Housing Credit, our nation's most important tool for the production of affordable rental housing, relies heavily on investments from banks subject to CRA. In fact, approximately 80 percent of equity investments in the Housing Credit each year come from CRA-motivated bank investors, according to a 2025 study by the accounting firm CohnReznick.[1] Banks make these investments not only to receive the modest return provided by the tax advantages associated with investing in Housing Credit properties, but also because the full CRA examination for large banks includes a distinct investment test. Because Housing Credit investment yields are typically modest, large banks often could get a more substantial yield from making other forms of investment but often still choose to invest in the Housing Credit because Housing Credit investments help banks meet their CRA obligations.

[1] 2025 Affordable Housing Credit Study, CohnReznick

We are concerned that OCC and FDIC's proposal to reclassify banks with assets ranging from $1.649 billion to $10 billion as intermediate banks rather than large banks subject to the full CRA examination, including the investment test, could reduce competition in the Housing Credit equity market, leading to lower pricing on credits and less housing produced. Of the 642 banks currently classified as large banks, only 256 would maintain that designation under the proposal—a decline of over 60 percent, according to the National Association of Affordable Housing Lenders (NAAHL). This leaves only six percent of banks in the current large bank classification subject to the full CRA exam. According to a survey by the Affordable Housing Tax Credit Coalition (AHTCC), banks with assets in the $1.649 billion to $10 billion range invested at least $1.6 billion in Housing Credit equity over the five-year survey period. Extrapolating these results to the full Housing Credit market, banks in this asset range invested up to $2 billion in Housing Credit equity over the past five years.

If the OCC/FDIC proposal is made final, newly classified intermediate banks would no longer need to invest in the low and moderate-income communities they are supposed to serve because they would no longer be subject to the investment test, despite still having more general community development obligations as an intermediate-sized bank. This is because, for various reasons, it is often easier for banks to support community development activities through lending rather than equity investment.

Moreover, the CRA proposed rule undercuts recent congressional action to strengthen and expand the Housing Credit and facilitate more bank investment in the program. The *One Big Beautiful Bill Act* (also known as the *Working Families Tax Cuts Act*) included a substantial increase in Housing Credit authority and expanded the 4 Percent Housing Credit program to increase supply, while the *21st Century ROAD to Housing Act* raised the limit on banks' public welfare investments (PWI) to allow them to increase their Housing Credit investments. The provision lifting the PWI cap would mostly impact many of the same banks that would be reclassified as intermediate banks. Thus, the CRA changes under consideration by the OCC and FDIC could greatly dilute these legislative accomplishments and undercut congressional goals of providing more affordable rental homes.

The consequences of this proposal would be most damaging to smaller communities that now benefit from being in the CRA assessment area of one or more large banks but may no longer be if the OCC and FDIC change the definition of large bank as proposed. A survey by AHTCC finds that approximately one-third of Housing Credit equity invested through syndicators by banks in the $412 million – $10 billion asset range supported rural markets between 2021 and 2025, indicating that these banks play an outsized role in investing in smaller communities. Credit pricing for properties in many urban areas—which are more likely to have at least one and often multiple banks competing to invest in Housing Credit developments because of overlapping assessment areas—tends to be much higher than pricing in rural and other smaller communities that are not part of assessment areas for large banks subject to the investment test.

The ACTION Campaign

Alternatives to the Primary Proposal

The OCC and FDIC included two alternatives to the primary proposal to set new thresholds for various bank size classifications related to CRA. The first would raise the large bank asset threshold from $1.649 billion to $3.252 billion. This alternative would still have far-reaching negative consequences compared to the current large bank threshold but is substantially less disruptive to Housing Credit investment than the primary proposal to raise the large bank threshold to $10 billion.

According to AHTCC's survey of bank investment in the Housing Credit, 108 banks would be reclassified as intermediate banks rather than large banks if the threshold is set at $10 billion, while just 40 would be reclassified as intermediate banks if the large bank threshold is set at $3.252 billion. Moreover, the banks that would remain subject to the separate investment test under a $3.252 billion threshold account for approximately 86 percent of the Housing Credit equity investment by OCC- and FDIC-regulated banks captured in the AHTCC survey with assets between $1.65 billion and $10 billion.

The second alternative proposal would be far more damaging for affordable rental housing production than either the primary or first alternative proposals. NAAHL estimates that, under a $30 billion large bank threshold, 17 states would see the number of large banks with investment requirements cut by half or more. According to AHTCC, banks with assets between $10 billion and $30 billion account for more than twice as much Housing Credit debt and equity investment as banks between $1.65 billion and $10 billion.

Conclusion

We strongly encourage the OCC and FDIC to leave the thresholds as they currently stand under the 1995 CRA rule, consistent with the direction the Federal Reserve—the third bank regulator—appears to be taking. If the OCC and FDIC move forward with changes to CRA regulations, we strongly urge maintaining the lowest possible threshold for large banks and adopting policies to strengthen the Housing Credit market in all communities, including rural and smaller markets.

Sincerely,

The ACTION Campaign Co-Chairs
Enterprise Community Partners
National Council of State Housing Agencies

The ACTION Campaign Steering Committee
Affordable Housing Tax Credit Coalition
Council for Affordable and Rural Housing
Council of Large Public Housing Authorities
Corporation for Supportive Housing
Housing Advisory Group

The ACTION Campaign

Housing Partnership Network
LeadingAge
Local Initiatives Support Corporation / National Equity Fund
National Affordable Housing Management Association
National Association of Affordable Housing Lenders
National Association of Home Builders
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Association of REALTORS®
National Association of State and Local Equity Funds
National Housing Conference
National Housing & Rehabilitation Association
National Housing Trust
National Low Income Housing Coalition
National Multifamily Housing Council
Smart Growth America
Stewards of Affordable Housing for the Future
Volunteers of America