



PRESS RELEASE

Attorney General Frosh Joins Coalition Defending Underprivileged Populations from Banking Discrimination

14 States Submit Comment Letter Urging Trump Administration to Maintain Strong Oversight of Banks Under the Community Reinvestment Act

BALTIMORE, MD (November 20, 2018) – Maryland Attorney General Brian E. Frosh has joined a coalition of 14 attorneys general in filing a comment letter urging the Office of the Comptroller of the Currency (OCC) to maintain rules requiring banks to take steps to serve low- and moderate-income communities and protect against lending discrimination. The [comment letter](#) is in response to the OCC’s efforts to weaken oversight of bank compliance with the Community Reinvestment Act (CRA). The CRA encourages banks to help meet credit needs of all populations within their communities. The law was enacted in 1977 in response to banks’ persistent and systematic denial of access to credit for historically disadvantaged communities, often communities of color. The OCC’s proposal would undermine the purpose of the CRA and result in diminished access to banking services, loans, and investment options for disadvantaged populations.

“Access to lending and other banking services is critical to community development throughout Maryland,” said Attorney General Frosh. “The OCC’s proposal will weaken the federal law put in place to serve the underserved—a move that could harm revitalization, community improvement, and quality of life for many Maryland residents.”

Three federal financial regulators enforce the CRA: the Federal Reserve System (FRS), the Federal Deposit Insurance Corporation (FDIC), and the OCC. Enforcement is carried out through periodic reviews by these agencies that gauge how well banks have met the credit needs of the communities covered by the CRA.

In the letter, the attorneys general urge the withdrawal of the proposal, contending that the OCC:

- Neglected to include the FRS and the FDIC in forming its decision to roll back CRA oversight, despite these regulators’ shared responsibility for implementing the CRA.
- Implemented guidance that would weaken enforcement of credit discrimination and consumer protection laws through the CRA. The OCC states it will only consider the most egregious of violations in determining what affects a bank’s credit rating, a practice that essentially eliminates penalties for violations.
- Proposes a rating system that removes examiners’ ability to qualitatively evaluate bank responsiveness to local credit needs.
- Fails to recognize the importance of community benefit agreements, which have led to billions of dollars in local community investment.
- Allows banks to achieve CRA compliance through lending and investments made in non-CRA communities.

- Fails to fix the loophole that allows bank affiliates, such as mortgage lenders, to escape CRA examination.

In addition to Maryland, the letter was signed by the Attorneys General of California, Illinois, Iowa, Massachusetts, Minnesota, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Virginia, and the District of Columbia.