RE: Community Reinvestment Act Proposed Rulemaking [87 FR 33884]

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Asurity’s comments focus on potential improvements to effect greater likelihood of adherence to the intent of the regulation, and to ensure sustainability and applicability of the regulation over time. As such, the themes in Asurity’s comments are:

- The regulation update will need to recognize digitized banking processes and other changes since the prior rule was drafted and be resilient to ensure coverage as financial product delivery becomes more virtual and the providers of financial products become more diffuse, operating from positions far beyond traditional banking constructs.

- The provision of supplementary data used in drafting the proposal is especially appreciated, because it enables repeatability of the work and helps clarify the methodology and allows for the exposure of additional patterns. However, additional structure and clarity to that data will better enable data and technical teams in financial institutions to prepare their organizations for the increased modeling and analytics that will be required for compliance.

- Since clarity of evaluation structure is appreciated by filing institutions, a focus purely on affordable housing does have merit. However, economic support and renewal goes well beyond housing, and different institutions committed to improving their communities may not have equal opportunity for effective investment in affordable housing in all of their market areas.

The Agencies have developed and provided an elegant system incorporating significant amounts of data in order to establish a more objective rating system. Asurity welcomes the opportunity to engage with the Agencies in an ongoing basis to implement and improve the proposed framework to the benefit of all citizens.

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Legislative Changes May Be Required

Significant changes have and are occurring in many areas including economics, finance, technology, and the creation, capture, and analysis of the resulting data.

The Agencies should recommend to congress that statutes which create data collections should include provisions requiring that regulations assess which data are needed, including fields, definitions, formats, and scope, to properly operationalize statutory goals through regulatory action.

This would provide guidance to stakeholders on what amount of data are sufficient for a purpose, and how to establish and review relevant metrics relating to the data collection, such as proportion of data collected relative to total data available. This type of provision would enable adaptability in the regulation process that will be important as the financial marketplace continues to evolve.

Insufficient or bad data limits the efficacy of policy makers in properly executing their tasks. Assessing how the government could facilitate data collection, and thereby reduce the cost and burden to industry, would also reduce barriers to entry and promote competition.

Evaluation of Assessment Area Types

The proposal creates three area constructs used in Large Bank evaluation:

- RLAA: Retail Lending Assessment Areas

- FBAA: Facility Based Assessment Areas

- OAA: Outside Assessment Areas

These areas are predominantly built using complete counties, though exceptions exist for other banks sizes. The common use of county geographies is a good choice for temporal stability, comparability across institutions, and ease of analysis.

The rules for when and how these areas are constructed cause some concern over the comparison of institution ratings for different area types. Additionally, institutions having primarily digital business models may develop different assessment areas than historic branch-based institutions.

Caution should be utilized when combining or comparing numerical scores for different AA types as the different construction rules and methodology may result in legitimate differences in patterns for different lender types.

The provision of numerical scores is an excellent way to create a shorthand for referencing performance. However, numerical scores can often become de facto truth of a situation which runs the risk of losing critical nuance captured in qualitative assessments of performance.

The Agencies should consider the likely public reaction to the provision of such metrics and take steps to guard against misinterpretation and misuse of the data, aggregates, evaluation, or analysis. Providing clear language about the extent of possible claims and comparisons is one method. However, this method falls short of creating a shared understanding between stakeholders of the goals, metrics, and progress revealed by any publications.

The HMDA Aggregate and Disclosure (A&D) reports provide a good example of how reported aggregates can be misinterpreted or applied to conclusions which they do not support. The HMDA reports did not feature time series analysis of data, nor did they include contextual benchmarks or other factors that would allow for an understanding of relevant dynamics during the period of evaluation. Additionally, there is a frequent misunderstanding related to HMDA data and reports relating to causality versus correlation. The HMDA data are intentionally insufficient to prove discrimination claims. As a result, the A&D reports are as well. Regardless of the FFIEC and CFPB statements to the contrary, some groups have pursued assertions of their ability to uncover evidence of discriminatory action using the HMDA data. When these claims are brought to regulators, as intended, and those regulators engage institutions regarding the findings, then the purpose of the publication statutes is fulfilled.

Alternatively, when claims are levied directly by a group, or are forwarded without review for accuracy, completeness, and relevant context by regulators, who have access to vastly more data, then these claims drive wasteful utilization of resources. It is critical for all stakeholders to understand and agree upon the limitations of the data based on design, as well as those that are intrinsic to the data collected and analyzed. Lacking this, significant industry resources are spent in attempts to reverse engineer results that are delivered directly or through a regulatory intermediary. These results frequently lack any methodological reference, data sourcing, or even a complete analytical output for a typical fair lending analysis that would provide sufficient context to reverse engineer the methodology.

Retail Lending Assessment Area Construction

The conceptual structure of Retail Lending Assessment Areas (RLAA) goes a long way to address the transition of finance from physical to digital. Some aspects of their construction and triggers for creation create uncertainty or drive excessive costs and burden where the benefit may not be sufficient justification.

The lack of an explicit target for the proportion of data that needs to be captured so that CRA analysis is robust, and representative of institutions and areas is unfortunate. The scenario tables provided in the proposal can be read to imply that 80 to 90 percent of the data would be sufficient for this purpose. If such a target were made explicit, it could be used as a component of the RLAA construct.

Table 1 of the CRA proposal implies a collection of data covering between 80% and 90% of lending activity of FBAAs and RLAAs for mortgage and small business is sufficient for analysis. This range should then be applied to data collection targets to ensure that a sufficient, and not overly burdensome, collection is created and maintained.

The scope of lending evaluated as inside an assessment area is not significantly impacted, declining 4%. However, the institutions impacted drops from 91 to 38 and the maximum RLAAs created by a single institution falls from 123 to 59.

This indicates significant burden associated with capturing and evaluating the 4% of the total lending using an assessment area designation. This lending activity would still be captured, but its analysis and would shift to the Outside Assessment Area (OAA) area group.

The 80-90% range captures a proportionally similar set of mortgages to HMDA's coverage of mortgage lending implying that 80-90% capture of relevant data is sufficient for regulatory purposes. Setting RLAA threshold triggers using counts risks arbitrarily including geographies that are not operational lending concentrations for that bank.

For example, a new housing development could contain 100 units which all receive financing from the lender, due to developer relationship. This transaction may not represent a focus of the institution and including coverage of the area could draw resources away from actual concentrations of lending and business operations where they are more critically needed.

Using proportional (percentage based) threshold measures relating to institution activity patterns provides a better indicator of where an institution is focusing its lending activity. This operational focus should align with compliance focus, so

examining areas where percentages of loans are concentrated, as a portion of bank loans that are outside FBAA, would provide a more accurate RLAA construction through which to evaluate banking operations. It is worth noting that most of the RLAAs created in the proposal are already inside FBAAs of other institutions, indicating these areas are well served.

Large Bank Exception for FBAA Lending Concentrations

In alignment with the above recommendation on setting RLAA creation thresholds relative to portion of activity, rather than loan counts, Large Banks that lend primarily inside their Facility Based Assessment Areas should be exempt constructing RLAAs and being evaluated on their performance in those areas.

The RLAA construct is intended to capture online banking presence that is not tied to an FBAA and subject it to evaluation when there is sufficient volume or concentration. If a large bank has sufficient concentration inside an FBAA, it should not be evaluated using RLAAs, as its business model and operations tie strongly to physical locations where it is already being evaluated.

Setting the RLAA exemption threshold percentage should be done to encourage expansion in a safe and sound manner while also capturing the operational focus of the institution as defined by its lending concentration and facility locations.

The targeted lending data collection percentage should be reviewed periodically to ensure that it is an acceptable sample of the full population and to estimate statistical inference error margins.

For example, using percentage of lending activity captured as a metric would allow flexible construction of assessment areas based on actual lending patterns while also limiting the number of RLAAs created by making the trigger relative to total bank lending.

This removes the use of a fixed loan count threshold which does not consider size of an institution in a proportional way. As a result, fewer RLAAs would likely be created. However, the RLAAs created would represent substantially similar coverage of lending and would allow rating of the largest loan concentrations while dropping the lowest concentrations.

RLAA Triggers Using Concentrations of Deposits

Reviewing deposits through the Retail Volume Test has the effect of disassociating analysis of sources and uses of funds. The Retail Lending Test as proposed does not account for situations where deposit sources are concentrated but lending activity is

not. This creates a gap in coverage related to ensuring that credit flows are proportional to deposit flows.

Triggering the creation of an RLAA based on a deposit concentration is one way this could be addressed so that institutions are rated on their Retail Volume Test and lending performance wherever they source funds of significant concentration relative to their total deposits. Using deposit concentration as a component of RLAA creation helps even the playing field between digital banks and those that maintain a physical presence and can provide a proxy for a facility.

Expansion of Small Bank Assessment Areas Due to Digital Presence

Forcing small banks, under 600 million in average assets, to expand their assessment areas due to consumer interaction with online resources risks amplifying their burden without gaining commensurate benefit. Forced expansion of an evaluation area may induce an institution to expand operationally in a manner inconsistent with safety and soundness. This could degrade operational an compliance performance of the institution resulting in lower profit to shareholders and lower evaluation ratings. Borrowers may also be impacted due to resource constraints, and this could affect the utility of the credit products they are seeking.

If small banks are required to expand their assessment areas due to the use of digital resources, it should be done in a manner that restricts such evaluation to areas of significant activity. Shifting business models to incorporate online tools is often a cost saving measure. Small banks have minimal resources compared to their larger compatriots and are just recently having success in offering their customers more services and toolsets in the digital space. Setting a low threshold that captures this presence too early in industry and institution development has a strong risk of throttling innovation and creating artificial barriers for smaller institutions to compete against larger or less regulated ones.

Credit Deserts

The expansion of qualifying areas is a good step toward addressing credit deserts. Allowing areas that are not tied to a physical banking presence to receive credit for qualifying CRA activity provides clear incentive structures for institutions to develop a digital presence when physical is cost or operationally prohibitive.

Rural populations tend to be more dispersed which can reduce or negate profitability of physical locations. The provision of credit to rural, unbanked, underserved areas should be enhanced by allowing institutions to be credited for their activity even when they

have only a digital presence. This should also provide stronger incentive for online banks to expand operations beyond major population centers.

Developing a metric or metrics that defines credit deserts would enable the use of a multiplier or category like "especially impactful" that could be used to give credit to institutions that find a means to serve these areas.

Provision of Materials

The Agencies have provided a robust amount of supporting information in addition to the rule, which is commendable. Understanding implications of regulatory rule making requires analysis that spans multiple disciplines, including data, policy, business operations, and technology. The provision of material allowing each to fulfill its role is critical to ensuring that public commentary is effective and informed.

The information provided is extensive and complex, requiring significant time from skilled professionals to review and assess for impact. Reducing the burden associated with developing commentary and expand the public's ability to access and digest this information can be accomplished by:

1) Publishing complete statistical distribution metrics when such metrics are used in support of rulemaking decisions. For example, the RLAA creation analysis featured median, max, and total RLAAs created based on different count thresholds. The measures indicated a highly skewed right tail distribution but were insufficient to readily determine how the RLAA count was distributed amongst the most affected institutions.

2) Providing full distribution measures creates a more robust picture of which kind of institutions are affected and how heavily they are impacted. This is important to understand relative to burden estimates, impacts on lending markets due to burden, as well as knowing the share of data that will be supplied by specific lenders.

3) Providing data references to support the proposed schemas for collection, reporting, and analysis. Separating the data proposal from the full rule allows data and technology professionals to engage directly with regulator source material. Otherwise, a translation layer is needed to convert regulation concepts to data structures and flows. The lack of such reference material increases the cost of, and reduces the speed of, change analysis and implementation.

Additionally, when large amounts of data are made available for analysis, the Agencies should consider providing:

- SQL based load scripts or similar Extract Transform Load (ETL) tooling to facilitate use of the data resources.

- Highlights of the key analysis points that were used in decision making.

This makes the incorporation of data analysis faster. Additionally, these tools make the analysis more approachable to a larger audience who may be able to digest highlights even if they cannot replicate the entire analysis process.

Provision of additional rule text formats other than PDF

While PDF is a standard, it is not user-friendly and can often become unwieldy for large, complicated documents. Developing additional, or alternate, publication methods that prioritize information retrieval would be greatly beneficial to stakeholders of regulation development. For example, hyperlinking the Table of Contents to rule sections would facilitate navigation. Page numbers in the table of contents would also be beneficial. –

Organize Regulation Text for Consumption

The organization of the NPRM document makes it difficult to extract all relevant information for each topic. Consolidating topical information to a single section, instead of dispersing duplicative text throughout the rule and referencing other sections, would allow for much faster reading and information absorption. This is critical given the time investment required to understand the implications of a rule such as the CRA, and even more so when the rule overlaps with multiple others, such as 1071, HMDA, and others.

Expand Definitions to Reduce Duplicative Text and Complexity

Develop and provide a more robust definitions section, preferably a hyperlinked glossary of some type, that contains complete definitions of each term. Rather than references to other statutory definitions. Providing a more complete resources will reduce the research burden for learning and referencing components of the regulation. This is critical when terms span multiple laws, regulations, and agencies. Doing so enables greater public participation with this important process.

Add a term for larger banks over 10 billion in assets, the rule has significant repeated text that drives complexity in reading that seems aimed to avoid clearly defining a critical banking category. Separating Large Banks from Large Banks with Over 10 billion in Assets significantly reduces the cognitive complexity involved in ingesting and comprehending the proposal. In all cases where such repetition can be removed, it should be done to produce a plainer English style document.

Provide Leadership in Standards Setting

The creation of data schemas for the purpose of collection and reporting of consumer financial data has set common ground reference points throughout industry. Even when the definitions or metrics diverge from industry norms, they are useful as reference points in discussion, analysis, and shared data literacy.

As the scope, depth, and complexity of compliance analysis grows it is helpful for industry to have standard formats and definitions of critical data elements, datasets, and methodologies.

Developing methodology outlines, analysis examples, and the required datasets, or data elements, needed to produce them. Even if non-enforceable, provision of such standards promotes homogeneity in the use of data and analytical methods. Additionally, such standards assist with data quality by setting clear standards for certain data elements.

When these data elements are used as defined by regulators in their work, their value to industry stakeholders increases. When stakeholders agree on data and analysis methodology, it is possible to have discussions around how outcomes should be measured. Without measuring of outcomes relative to goals in an agreed and standardized manner, it is extremely difficult to focus resources and attention in such a way that produces a material solution. Measuring success against an agreed standard is critically important when developing and implementing policy.

Additionally, the provision of these information resources will assist new compliance staff in gaining the skills and knowledge required to do the regulatory data work at each institution to ensure compliance. This reduces burden on smaller and newer institutions that lack resources to hire experienced or large staff groups.

Retail Volume Screen

The methodology used to determine the threshold multiplier of the Retail Volume Screen multiplier relies on the correlation observed between performance ratings in prior CRA data. Given the lack of causal understanding in that relationship, this benchmark multiplier should be re-evaluated periodically to ensure that it is calibrated correctly to promote consistency in evaluation.

The lack of upper bound threshold creates an incomplete picture of the operational target. Providing only a lower bound implies that excessive concentration of lending

relative to deposits has no direct impact on ratings and would only create negative impacts if it caused the bank to miss a threshold in a different assessment area. Providing an upper limit benchmark would also create a disincentive for excessive credit flows to an area.

Setting the market volume benchmark relative to the other market participants is adaptive to market conditions under certain assumptions, such as a lack of market collusion as was witness in LIBOR and some other financial scandals. The rise in this kind of high-impact financial manipulation is concerning given the significant reliance on market-based benchmarks in the proposal. The Agencies should take steps to ensure that benchmarks are not materially influenced by such acts. Robust data volume collection is one guard against that kind of manipulation.

Lacking a set benchmark, such as a statistical measure of difference between deposits sourced and lending, performance targets will be difficult to set ahead of time. This creates uncertainty in operations for financial institutions. A primary aspect of finance is pricing of risk. Uncertainty creates additional risk, thus increasing cost and burden to institutions. Providing bright line benchmarks and guideposts removes such uncertainty when the scoring and evaluation systems match accordingly. Benchmarks could be set as a proportion of deposits relative to lending for the institution with scores based on standard deviations. Alternately, a benchmark could be developed based on the money multiplier derived from the required reserve rate. Multiplying deposits by the money multiplier would create the target benchmark for lending dollars.

Main Product Line(s) Standard

Review of product lines beyond mortgage and small business is important for understanding credit flows, shortages, and their related impacts on communities.

All product lines considered for CRA credit should be evaluated for effectiveness in improving the economic or financial condition of borrowers or areas. This adds an additional layer of review by the Agencies that should be reported to the public alongside institution and assessment area ratings. Using publicly available Census data in the construction of these dashboards or reports integrates measures of community success with the information on CRA activity and performance which facilitates the public analysis of the efficacy of those activities.

Combined with the Agencies proposal to facilitate public input, this enables a more holistic review of how the CRA structure is functioning to drive needed changes in

targeted communities. Rather than simply assessing activity in the area by financial institutions.

It is also critical to distinguish between consumptive and investment credit uses. Wealth building and economic growth require that the total cost of credit be less than the return on the investment. Automobile lending is a complicated topic as car ownership has economic, cultural, status, and other implications, such as rapid depreciation of value relative to other asset types.

As a result, auto lending can be an economic enabler when it provides reliable transport to job or opportunity locations. However, if the spending on auto, including maintenance and operation costs, is higher than the return on the available opportunities, then there is wealth loss, which is exacerbated by the rapid depreciation of automobiles.

If automobile lending is included for evaluation, it is critical to distinguish between opportunity and wealth building lending and consumptive lending as they have different outcomes.

Stepping back from a specific solution involving automobiles, the primary issue needing to be addressed is transit. The Agencies should evaluate how to construct a method to measure qualifying activity by the type of community need and how well the need is addressed by the activity over time. For example, provision of investment funds for municipal mass transit construction may be a higher value, longer lasting solution than individual auto lending.

It is imperative that the Agencies not construct a framework that presupposes the correct solution to local concerns. The designed system should be flexible enough to analyze and account for different geographical needs and review the qualifying activity for efficacy.

The results of efficacy review should inform which qualifying activities of the next examination cycle will have modifications to their importance. Such as a decrease in CRA credit for automobile lending that is consumptive. Additionally, increases in CRA credit for projects that exceed their expected value and impact.

As a further example, collaborations with municipal areas, or other, allows for a broader solution set, which can produce more ideal outcomes such as:

- Lower commute times due to public transit availability and reduction of traffic congestion

- Infrastructure investments in LMI areas that would not be possible on an individual lending basis, such as the activities covered under disaster preparedness, like investments in energy efficiency.

Shifting of the cost burden from individuals (borrowing to buy assets) to governmental or community levels distributes the costs of creating or improving needed community facilities and systems. As an example, using metro transit costs several dollars per trip, and can be paid per use. Loans for assets or property have fixed payments based on debt schedules rather than utilization. This puts extra strain on demographics with cash flow uncertainty. Distributing the cost of upgrading areas is less regressive and has a stronger magnifying effect as it impacts a larger group of people.

Geo Data Collection and Error Rates

The proposal to collect deposits tied to depositor location is interesting. However, it may suffer from some data quality issues that reduce its accuracy and resultingly affect institution scores in unintended ways. For example, it is possible to use a Post Office box to open a deposit account. The location of the Post Office need not necessarily be in the same county as the depositor's location. This would introduce an error rate in the computation of aggregate deposits that can be apportioned to LMI areas using depositor address.

The application of mortgage related geocoding accuracy standards, such as in HMDA, are unrealistic for automobile lending data collection. The fallout rates for geocoding of auto loans is significantly higher than that of mortgage loans for several reasons. Additionally, the information for system used to validate or corroborate home address and location are more robust than what is available for auto lending. This makes application of the same accuracy standard used in HMDA or other mortgage related activity inappropriate due to the higher known error rate in the automobile lending data. Additionally, requiring such accuracy would significantly increase the cost related burden to financial institutions engaged in auto lending. This could reduce overall auto lending or increase costs, both of these impacts tend to concentrate in LMI areas and borrower groups.

Metrics Construction and Analysis Impacts

The proposed benchmarks and evaluation metrics indicate significant work on behalf of the Agencies to balance between burden, utility, and complexity. The benchmarks make assumptions that may not be fully accounted for in the scoring system. 1) The demand

for credit between LMI and other income areas is substantially similar. 2) The potential for wealth building between LMI and other income areas is substantially similar. 3) Cost of operations is not materially different relevant to revenue in LMI areas or for LMI borrowers. 4) Default rates for LMI borrowers and areas are not materially different between LMI and other areas

These assumptions should be monitored to see if they hold true over time. Developing and publishing time-series analysis of the above would show if operational impacts to lenders were growing or shrinking based on their obligation to serve LMI communities.

Split Mortgage Sub-Categories

Separating ratings for owner-occupied home mortgage loans from other categories would assist in evaluation of wealth building through home ownership policy. Constructing metrics for, or reporting analysis of, different home mortgage reasons would allow separate analysis of owner-occupied mortgages, investment, and secondary residence categories. By doing so, patterns in how lending in each category relates to community development outcomes could be analyzed and included in evaluation. If different classes of mortgage drive better outcomes, they can be weighted more significantly in scoring to incentivize focus on production of such loans.

Peer Benchmark Data

The proposed benchmarks include data for all reporting lenders from both HMDA and 1071. The combining of disparate lending types, banks, credit unions, and non-depositories, may not result in a full set of information relating to how lending works in the area. Splitting benchmark data into categories by lender type allows for distinction between regulatory paradigm affects, business models, and financial structures. This approach would use bank data from HMDA or 1071 as the rating data for bank scores, but would provide comparable metrics of the applicable credit unions and non-depositories with operations in the area. Comparison of these metrics will provide insight into how different lending models operate relative to each other. This maintains the inclusivity of the reported data which can be used to understand market need, while restricting peer benchmarking to substantially similar institutions.

Standardizing the evaluation to use all reporting lenders would be ideal if all lenders were subject to the same regulatory rules, even if they have different operational

structures. This would allow the private sector to pursue efficient business practices while conforming to a common compliance regime.

Evaluation of Areas and Institutions

Comparisons of Evaluation Ratings Across Area Types

The ratings between different assessment area types, FBAA, RLAA, or OAA may not be equivalent due to how the construction rules intersect with business models and other constraints.

The direct comparison of an RLAA to an FBAA creates the false equivalency that direct physical contact is equivalent to digital presence. It would be best to keep the scores of RLAA separate from FBAA to avoid obfuscation of underlying differences by combining ratings of unlike things.

The introduction of a measurement system has the potential to distort perception and decision by appearing more accurate or truthful than it really is. At every arbitrary decision point in such a system false precision can be introduced. This can inadvertently mislead consumers of the reported score information who may not be cognizant of the scope of what the numbers represent and what level of precision is truly meaningful. The Agencies should use caution in their approach to aggregation or combination of ratings, especially when such ratings will become public and could be readily misinterpreted or misused.

Publication of Reports, Data, and Evaluations

Publishing mathematically derived numerical metrics will have an effect of becoming the "de facto standard" for most of the public. It is imperative that caveats, limitations, and other implications of the metric creation be published visibly in the same location. Ideally, these dashboards or reports would have links to the qualitative discussion that is material but not part of the numeric rating. Connecting both pieces of the evaluation for users mitigates the risk that context will be lost, and numbers misinterpreted.

The Agencies should also publish an outline of responsible data use. Including, how to document methodology, how to report findings to industry and regulators, and text documenting the limitations of published datasets and analysis. Providing this resource will mitigate the resource waste lenders experience when they receive allegations of misconduct without sufficient documentation to understand how the conclusion of misconduct was reached. This problem is magnified when a federal agency is involved

but does not provide additional clarity to the methodology and outcome measures that support the allegation.

When this occurs, scarce resources are allocated to reverse engineering the analysis based on the limited information provided. This is a costly practice that does further the goal of the CRA. Establishing clear protocols for utilizing analytical results that include repeatability, statistical robustness, and methodology documentation will not only reduce costs for industry, but it will also make the dialogue between stakeholders more productive and likely result in better outcomes for all parties.

Publication of Demographics Reports

Provision of additional quality report material is critical to an informed democracy. The provision of such information should be done with care and an eye toward understanding how it might be misused, whether intentional or not, and cause harm.

Providing critical context is a mitigating factor for this problem. Time series trends can be used for this in many situations. Time series provides insight into how things are changing. A number could be low in a single year but may be an outlier in the overall increasing trend. This is an important distinction in understanding credit flows.

Such reports should be provided with robust methodology documentation, interpretation guidance, notes on limitation of conclusions that can be drawn. Reports should also be designed to monitor metrics associated with specific goals. Absent targets based on preset goals, it is difficult or impossible to determine if success is being achieved.

Evaluation of All Parties and Processes

Collaboration and Partnerships across multiple levels need to be involved in order to make change - focus on partnerships, collaboration that have measurable impacts - review of all parties involved in community development type activities to provide ratings not just for banks, but for their partners who benefit from the flow of CRA resources - these partners should have an obligation to use those funds/resources in a way that measurably improves the condition of borrowers or areas that are in need. - Lacking this measure and reporting only on the performance of banks excludes a critical link in understanding if the CRA system is working to improve conditions.

The full responsibility for community recovery and stability cannot be placed on financial institutions, it is not a feasible solution. Evaluating all parties involved in utilizing CRA provided resources provides a clearer picture of what results are being

created, and who is creating them. - This allows for monitoring of collaborators and partners that are unable to use resources in a way that improves the conditions targeted by the CRA. Removing ineffective CRA partners and collaborators allows others to take their place and produce the results they could not.