

July/29/2022

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 2055

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Washington, DC 20219

James P. Sheesley, Assistant Executive Secretary
Attention: Comments RIN 3064-AF81
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Community Reinvestment Act Regulations Docket (R1769) and RIN (7100-AG29)

To Whom It May Concern:

I, Veronika Dimitrova, submit this letter as a former member of the University Growth Fund (UGF, The Fund) and in response to Question 13 in the NPR as my official request that the Fed/OCC/FDIC reinstate the language surrounding economic development and job creation allowing banks to receive CRA credit for investing in financial intermediaries like UGF.

The experience I gained during my internship at UGF had a transformative impact on the trajectory of my life as a first-generation immigrant and first to graduate college in my family. I immigrated to the United States with my family from Bulgaria at the age of 10 without speaking a word of English. For years my parents worked low paying jobs and we spent half the calendar year in Bulgaria where my father's business helped support us back in the States. In many ways my parents were starting over every year while I was growing up, catching up on school curriculum and learning the English language simultaneously. Low English proficiency and the resulting low ACT score made it challenging to get into university after high school, so I attended a community college instead. Eventually I was able to transfer to the University of Utah where I discovered UGF. I feel fortunate for the opportunity I had to intern with UGF during my senior year in university. The mentorship and breadth of learning experiences the Fund makes available to students was instrumental in helping me overcome socioeconomic barriers I was facing in those years and propelled me on a career path that elevated the quality of my life and enabled me to financially support my family. The Fund broadened my exposure to career opportunities that were not available on campus and through hands-on investment and technical training I gained the skillset that enabled me to successfully compete for and secure above-average income soon after completing my undergraduate studies. The Fund's proven model is an opportunity for young people to explore and unfold their potential in a unique learning environment that encourages initiative, collaboration and creative thinking. With the help of CRA investment UGF can continue to inspire and develop leaders in LMI communities.

I understand that some may view the proposed changes under Question 13 as ones that will only have a minor impact on funds like UGF. I would argue that the impact will be substantial since UGF primarily invests in small businesses that generate more than \$5M in revenue, but that still meet size tests under the Small Business Administrations guidelines. Working on such deals was a key part of my learning experience and helped me land jobs after graduating that leveraged the skills I developed analyzing businesses at different revenue thresholds. In addition, UGF's track record is based on investing in these slightly larger small businesses and investors may not have confidence in backing a fund that so significantly departs from its core strategy to meet externally imposed rules. Lastly, some may argue that if UGF is a successful fund, they shouldn't need to rely on bank funding to support their program. I hope that someday that may be true, but the sad reality is that today few institutional investors are willing to entrust students with their investment dollars and it will likely take several more successful funds before UGF is able to change investor's minds. This is where CRA can and has had an outsized impact – by supporting amazing funds like UGF when others aren't willing to take the risk.

By supporting the development of students of all economic backgrounds and being an advocate for women, UGF's impact extends to help shape a more diverse next generation of investors and entrepreneurs. I ask the agencies to keep the language and provisions necessary to ensure banks continue to receive CRA credit for investing in UGF to support education and job creation of LMI people as well as in recognition of the Fund's contribution to narrowing the systemic funding gap that exists for start-ups where women and entrepreneurs of multicultural backgrounds are underrepresented. This funding imbalance is particularly problematic in venture capital due to the transformative impact these types of investments can have on our societies by collectively shaping the direction of technological advancement and adoption. It is important to have women and minorities in these elevated positions where they can serve as role models to uplift others and their voices can be amplified to bring upon inclusion and unity in our communities and more equitable balance of financial resources.

Thank you for your consideration.

Veronika Dimitrova