



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 29, 2020
(House)

STATEMENT OF ADMINISTRATION POLICY

H.J. Res. 90 – Disapproval of the rule submitted by the Office of the Comptroller of the Currency relating to "Community Reinvestment Act Regulations"

(Rep. Waters, D-CA, and Rep. Meeks, D-NY)

The Administration opposes H.J. Res. 90, a disapproval resolution under the Congressional Review Act of the final rule on Community Reinvestment Act (CRA) Regulations adopted by the Office of the Comptroller of the Currency (OCC). The Administration is dedicated to the promotion of lending, investment, and enhanced economic activity in low- and moderate-income neighborhoods across our country, and this final rule is a reflection of that dedication. The regulations that the House seeks to overturn, in coordination with the Opportunity Zones program, are a critical step in ensuring prosperity for all Americans, and the final rule increases support for and investment in small businesses, small- and family-owned farms, Indian Country, and distressed communities. Unfortunately, H.J. Res. 90 does not recognize the important work that has been completed to develop a final rule that helps Americans all over the Nation.

The final rule takes important steps to strengthen the CRA regulatory framework for OCC-regulated institutions by clarifying and bringing certainty to what qualifies for CRA consideration. It also strengthens the regulatory framework by evaluating bank CRA performance more objectively, updating how banks define their assessment areas, and making the entire process of bank efforts to fulfill the CRA's goals more transparent and efficient. Additionally, the final rule's framework is readily applicable to banks of all sizes and business models.

The final rule also incentivizes banks to achieve specific performance goals for lending. As a result, the Administration disagrees with the Resolution's premise that the OCC's CRA regulations weaken requirements to lend to low-income borrowers and communities. Instead, the Administration is confident that these incentives will lead to an increase in lending to these borrowers and communities and an overall increase in total lending. The incentives provided by the final rule represent a substantial improvement from the previous rule, under which a bank's performance was rated on ambiguous, often subjective review criteria.

Overall, the rule is the culmination of more than a decade of dialogue about improving how the CRA works. Stakeholders submitted more than 7,500 comments on the regulations at the Notice of Proposed Rulemaking stage, and the final rule incorporates many of their suggestions. The Administration is confident that this rule will help small businesses and other entities, improve how the CRA works, and lead to an increase in total lending.

If H.J. Res. 90 were presented to the President, his advisors would recommend that he veto the disapproval resolution.

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