October 13, 2026

Office of the Comptroller of the Currency
400 7th Street SW, Suite 1E-216
Washington, DC 20219

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
Submitted electronically through the Federal Deposit Insurance Corporation's public-comment portal

Re: **Community Reinvestment Act Regulations; OCC Docket ID OCC-2026-0694; RIN 1557-AF57; FDIC RIN 3064-AG31**

To the Comptroller of the Currency and the Board of Directors of the Federal Deposit Insurance Corporation:

Ohio CDC Association appreciates the opportunity to provide comment on the proposed regulatory changes to the Community Reinvestment Act. Our association serves 250 members working in affordable housing, community economic development, financial education, and food access across all 88 counties of Ohio. Our nonprofit members particularly focus on serving low- and moderate-income communities, and work closely with covered financial institutions in order to make sure the needs of their communities are served.

Because our members work in communities that have experienced decades of disinvestment, the revitalization of those places is complex and requires long-term patient investment. Banks are close partners in that work, and the current flexibility afforded to covered financial institutions under the CRA provides them the ability to serve the multiple and varied needs of these communities. Given these important partnerships, we are writing to express concern with two key aspects of the proposed rules.

Asset-size threshold changes could reduce investment, especially in rural Ohio

Banks with asset sizes between $1 billion and $10 billion clearly make an impact on low- and moderate-income Ohio communities. A mid-sized bank with branches in rural Ohio invested in a Low-Income Housing Tax Credit project that built 56 units of affordable

housing in a rural community in Southwest Ohio. A bank headquartered in Southwest Ohio financed a new food hall in Columbus that allows entrepreneurs to build their food businesses. A bank headquartered in Northwest Ohio has been working with an affordable housing nonprofit to explore purchasing its portfolio of home mortgage loans, and potentially providing loans directly to first-time homebuyers.

Given this impact, the proposal to raise the large bank asset threshold to $10 billion is an area of concern for our membership. Under the proposal, 37 banks currently operating in Ohio would move from the large to intermediate bank category, thus facing reduced scrutiny on community development investing and retail services. Community development investments are essential to meeting the pressing housing needs of our communities, as these dollars finance the construction and preservation of much-needed affordable rental homes through the Low-Income Housing Tax Credit (LIHTC). The New Markets Tax Credit (NMTC) and investments in CDFIs are also crucial in helping to build community facilities and provide credit access to a variety of more challenging qualified borrowers. While banks make a return through these investment programs, the tools are complex and require investor patience and sophistication – and research shows that banks participate in these programs in large part due to their Community Reinvestment Act obligations. We are concerned that reducing requirements for community development investment may disincentivize banks from engaging in these complex programs and result in a lower overall amount of dollars invested into communities for housing and economic development.

In Ohio, this change would disproportionately impact rural communities. Rural places often already struggle to access traditional financing and investment due to the smaller nature of projects and limited presence of regional or national banks. As such, local banks play a crucial role in supporting community development lending in rural Ohio. Yet the proposed change in asset threshold for the large bank test will substantially impact banks headquartered in rural communities. While just 38% of Ohio's population lives in rural counties, 55% of the banks that would move from the large to intermediate category are headquartered in rural communities. The disparity is even greater when looking at the full branch footprint of impacted banks, which defines the communities in which they have CRA obligations: 58% of the branches of impacted banks are located in rural counties.

We ask that the regulatory agencies maintain the current asset thresholds in order to ensure ongoing access to crucial community development investments, especially in rural areas.

Removing grant flexibility could increase bureaucracy and reduce results

We are also concerned by the proposal to restrict the purpose of grants to nonprofit organizations or to even eliminate them entirely from CRA consideration. Financial institutions act as more than just funders in a healthy community development ecosystem – they are vested partners in producing tangible outcomes for low- and moderate-income communities. As such, many banks provide flexible grants to help grow the capacity of nonprofits in the ecosystem to make sure they are efficiently and effectively delivering results. Limiting CRA consideration only to grants that are tied to a specific community development project or program and capping operating expenses at 15% of the grant would severely limit banks' ability to invest in the partners and projects that align with their own community development goals.

Flexible bank funding has created lasting results for low- and moderate-income communities in Ohio. A grant from an Ohio-based bank supported Ohio CDC Association's Peer to Peer program, which matches more experienced nonprofit staff with a mentee to work together on an identified organizational challenge. The grant funds support travel and time stipends for both organizations, giving them the ability to work on building their skills without worrying about covering staff time with other grants. The program has resulted in new programs that directly serve low- and moderate-income populations, including the creation of a home repair program in Cleveland, a new small business assistance center in Columbus, and a workforce development program for people in recovery in Northeast Ohio.

Grants from local banks are particularly important in rural Southeast Ohio, where the decline of industry left small coal mining communities with very limited access to capital. CRA-motivated giving has been extremely important in helping communities build upon their assets and allowing local nonprofit organizations to develop innovative projects. One regional nonprofit received support from a bank to collect and redistribute durable medical equipment to residents in need or without insurance, saving participants thousands of dollars. Another Southeast Ohio business development nonprofit organization worked with entrepreneurs to develop actionable business plans, and support from a local bank provided the businesses with a small seed grant to get their ideas off the ground. These grants show what CRA-motivated giving makes possible in communities with few other sources of capital. Narrowing the grants eligible for CRA credit, or adding allocation and documentation requirements, risks reducing this support where it is hardest to replace.

Defining program versus administrative time in grants is a challenge familiar to many nonprofits, particularly related to programs intended to build the capacity of an organization to deliver a service. Requiring banks to define and document this distinction

will not result in dollars better spent – instead it will require substantially more administrative time on the part of both banks and nonprofits to ensure compliance with this rule. Ultimately, that means time and resources focused on paperwork instead of meeting the continuing and affirmative obligation to serve low- and moderate-income communities, as the Community Reinvestment Act intended.

We ask that the regulatory agencies preserve CRA credit for flexible and general operating grants to nonprofits, and drop the 15% operating cap.

Conclusion

Ohio's community development organizations depend on strong, flexible partnerships with the financial institutions that serve their communities. We urge the agencies to retain asset thresholds that preserve meaningful community development investment obligations for mid-size banks, particularly those serving rural Ohio, and to maintain CRA consideration for flexible grants that build nonprofit capacity without imposing burdensome allocation and documentation requirements. These changes would keep the Community Reinvestment Act focused on its core purpose: ensuring that banks continue to meet the credit, investment, and service needs of low- and moderate-income communities. We appreciate your consideration of these comments and welcome the opportunity to provide additional information or Ohio-specific data.

Sincerely,

Torey Hollingsworth
Executive Director
Ohio CDC Association