Dear Mr. McDonough:

AARP, on behalf of our nearly 38 million members and all older Americans nationwide, appreciates the opportunity to comment in response to the notice of proposed rulemaking by the Office of the Comptroller of the Currency (OCC) regarding the Community Reinvestment Act (CRA). AARP appreciates the OCC’s return to the precedent of jointly developing and implementing regulations and guidance for the CRA. Banks subject to the CRA should be evaluated, and ultimately held accountable, based on common criteria derived from their actual activities—not from metrics dependent largely upon the type of charter they hold. Otherwise, differing standards and supervision may cause confusion, or worse, contribute to the “charter-shopping” practices that led up to the 2008 financial crisis.

As noted in our prior comment letters from April 2020 to the OCC and February 2021 to the Federal Reserve, AARP urges that any revised CRA regulations preserve and promote the following objectives of particular concern to older Americans:

1) **Provide CRA credit for the development of innovative housing types dispersed throughout the community with access to transportation to better meet the needs of an aging population.** Banks should support affordable and adaptable housing options to support the aging population within well-designed, age-friendly communities. Age-friendly communities support convenient transportation options; enhance walkable access to essential goods, services, and healthcare; and encourage opportunities for social connectedness and community engagement. These communities take into account both housing and transportation needs, particularly in light of the fact that older adults outlive their ability to drive by seven to ten years. Older adults in many communities who no longer drive face challenges accessing needed goods and services, may become socially isolated, and have greater difficulties meeting their healthcare needs. AARP’s Livable Communities Initiative
offers a model for better community-based solutions that is rooted in engagement with local leaders, banks, and other stakeholders to assess community needs, and then to plan, implement, and evaluate programs and investments to address those needs. AARP urges federal bank regulators to encourage financial institutions to engage in similarly enduring partnerships. It is crucial for banks to work with local stakeholders to address communities’ banking, housing and credit needs more effectively.

2) **Offer affordable financing for older individuals to make necessary alterations to their homes, manage the costs of home maintenance, and deal with other financial shortfalls.** Supports, services, and accessible housing features all play a role in helping older people, who may need more assistance with activities of daily living as they advance to older ages, to live independently in the community. Providing access to credit allows older people to make needed changes to their own homes in order to make them safer and more accessible, or to move to homes that already have such features. Yet, many older households continue to live in aging homes too large for their current needs that are difficult and expensive to maintain. Limited financial resources – particularly among those on fixed incomes – can lead to deferred maintenance that can exacerbate unsafe conditions, and depress home and neighborhood property values and thereby the equity savings associated with the home. Emergency repairs to plumbing or HVAC systems are financial shocks that many older people are ill-equipped to manage because they lack safe and affordable financing options. Moreover, access to credit is not evenly distributed across racial and ethnic groups. While more than three-quarters of white and Asian households headed by someone 50+ had at least one major credit card in 2019, only 48 percent of 50+ African American/Black households, 57 percent of 50+ Hispanic/Latino households, and 57 percent of 50+ households from other racial and ethnic groups had at least one card. High-cost payday and auto title lending poses a further threat, particularly among African American/Black and Hispanic/Latino households. AARP urges the OCC to support responsible credit products—including personal installment loans and other alternatives to high-cost lending—that fully comply with state rate caps and all other federal, state, and local protections.

3) **Offer protections to residents of low and moderate-income (“LMI”) communities who face displacement as older neighborhoods are redeveloped.** Without nearby affordable housing options, older adults displaced by rising housing costs may be forced to seek housing in distant neighborhoods and communities away from their employment, social, and healthcare networks and supports. Low-income individuals may face homelessness or be placed in nursing home facilities that expose them to further risk. The burdens of displacement also regularly have a racially disparate effect. In Washington, D.C., for example, more than 20,000 African American residents were displaced between 2000 and

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3 Ibid. While FDIC’s 2019 How America Banks survey showed that only 1.8 percent of the 50+ population took out these loans in the prior year, older African American/Black households were three times as likely to take out a payday or auto title loan as White non-Hispanic households, and Hispanic/Latino households were twice as likely.
2013 with the gentrification of many District neighborhoods. The OCC should encourage banks to intervene at numerous points during the redevelopment process or new construction efforts that significantly alter the demographic makeup of the community, including ensuring that former owners and residents have options to remain in their community and experience the economic benefits of new investments. For example, banks may be able to prevent displacement by brokering deals that allow displaced residents to occupy one of the newly developed housing units.

4) **Ensure that older adults continue to have access to conveniently located physical bank branches to serve their needs.** The FDIC’s 2019 *How America Banks* survey showed that 77 percent of households headed by someone age 50 or older accessed their account at a bank branch at least once in the past year, and 72 percent accessed their account at an ATM or bank kiosk. For roughly half of the 50+ population, these were the most common methods for accessing an account. While banks and customers alike have sought to adapt to the new environment created by the COVID-19 pandemic, branches will continue to remain essential for older adults and other bank users—especially customers who continue to prefer or rely on cash payments. The closure of a rural bank branch in Duncan, Arizona, as profiled in *American Banker* last year, is instructive: “Local business owners no longer have a place to deposit cash each night, nor anywhere nearby to apply for a loan. Many senior citizens, especially those uncomfortable with digital banking, have felt an outsize impact. The absence of a bank branch in Duncan also makes it harder to attract new residents, said Richard Lunt, chairman of the Greenlee County Board of Supervisors, whose family has lived in the area for more than 100 years.” These concerns are particularly acute for those age 65 and older, of which less than one third had accessed accounts using a mobile phone in the FDIC survey.

5) **Encourage flexible servicing practices for older borrowers, particularly in light of COVID-19 and related economic distress.** Many older adults struggle to maintain a sound financial footing as they deal with insufficient retirement savings, a lack of capacity to deal with financial shortfalls, and the need to support family members including in some cases student loans taken out not only for themselves, but also their children and grandchildren. AARP was pleased to see the OCC call for additional flexibility by banks—such as waiving fees and extending payment deadlines—during the pandemic and encourages these efforts to continue and expand so that economic shocks do not increase financial hardship and

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5 For example, in *Mt. Holly Gardens Citizens in Action, Inc. v. Township of Mt. Holly*, 658 F.3d 375 (2011), AARP Foundation attorneys represented older tenants and homeowners who were being displaced as part of the town’s housing redevelopment project. Plaintiffs obtained a ruling from the Court of Appeals for the Third Circuit holding that the town had violated the Fair Housing Act. Eventually, the parties settled by offering the homeowners the opportunity to live in the newly developed housing and pay the same costs they had paid for the homes they formerly owned.


displacement. Banks’ communication should also incorporate language access for members of multicultural, non-English-speaking communities.

Additionally, AARP urges the OCC to ensure that CRA assessments broadly take into account compliance with consumer and civil rights laws. Banks that offer deficient products and services should not receive full credit for meeting the spirit of CRA. Scores of “outstanding” or “satisfactory” should be reserved for banks that meaningfully and consistently demonstrate a commitment to serving the credit needs of low- and moderate-income customers within assessment areas and to treating all customers fairly. Bank violations of consumer protection laws governing deposit and lending products, as well as violations of the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, and the Americans with Disabilities Act, should be reflected in unsatisfactory CRA ratings.

Similarly, AARP opposes the OCC’s intent to remove the Military Lending Act (MLA) and Servicemembers Civil Relief Act (SCRA) from the enumerated list of laws to be considered in evaluating banks’ performance. Equitable access to credit at fair and reasonable prices has been defined in the law for centuries by state usury limits, interest rate caps, and civil rights and consumer protection statutes that address widespread harmful practices in the marketplace. The interest rate caps and other provisions in the MLA and SCRA are designed to establish a national standard of conduct that banks and their subsidiaries or partners should not exceed or transgress. The CRA evaluations should assess a bank’s compliance with any such laws without carveouts or loopholes.

Thank you for the opportunity to provide comments on this vital issue. If you have any questions or comments, please feel free to contact Debra Alvarez in our Government Affairs Department at (202) 434-3814 or dalvarez@aarp.org.

Sincerely,

David Certner
Legislative Counsel and Legislative Policy Director
Government Affairs

8 86 FR 52032.