



The Colorado Health Foundation™

October 9, 2026

Jonathan V. Gould
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street SW
Washington, DC 20219

Travis Hill
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Submitted electronically via [Regulations.gov](https://www.regulations.gov)

RE: Comments on Community Reinvestment Act Regulations; Docket ID OCC-2026-0694; RIN 1557-AF57; RIN 3064-AG31

Dear Comptroller Gould and Chairman Hill,

Thank you for the opportunity to provide comments on the Office of the Comptroller of the Currency's (OCC) and Federal Deposit Insurance Corporation's (FDIC) proposed amendments to the Community Reinvestment Act (CRA) regulations. The Colorado Health Foundation ("CHF" or "the Foundation") is a statewide, nonprofit and nonpartisan philanthropic organization with a mission to improve the health and well-being of Coloradans. Through community engagement, research, grantmaking, and private sector investments, the Foundation works to ensure that everyone in Colorado has what they need to be healthy. The Foundation has a particular interest in ensuring that communities across Colorado have access to the capital, affordable housing, financial services, and economic opportunities that support good health and well-being.

The Foundation recognizes the agencies' stated goals of reducing regulatory burden for community banks and providing greater clarity in the CRA framework. This proposed rule, however, would substantially narrow CRA examination and reporting requirements by raising the small-bank threshold from less than \$412 million to less than \$1 billion, establishing an intermediate-bank category of \$1 billion to \$10 billion, and limiting the full large-bank framework to banks with more than \$10 billion in assets.

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These changes would move hundreds of banks into less intensive examination categories and reduce separate scrutiny of community-development lending, investments, branches, and services. The Foundation is concerned that the proposal could weaken accountability for whether banks are meeting local credit and investment needs, particularly in smaller and rural markets where community and regional banks can play an especially important role.

For these reasons, the Foundation respectfully urges the agencies to withdraw these proposed changes that would significantly narrow community-development, investment, service, and data-reporting requirements. As outlined below, the Foundation is concerned that:

- Raising the asset thresholds would move hundreds of banks into less intensive CRA examination categories, reducing separate scrutiny of community-development lending, investments, branches, and services and limiting CRA data collection and reporting to the public.
- The proposed geographic-flexibility standard could establish a benchmark for local community-development activity substantially below current levels and weaken incentives for banks to remain responsive to needs within individual assessment areas.
- Narrowing consideration of deposit products and branch services could reduce accountability for forms of financial access that remain important to low- and moderate-income households and communities.
- The proposed restrictions on community-development grants, including the 15 percent indirect-cost standard, could make it more difficult for smaller nonprofit and community-based organizations to obtain general operating, capacity-building, and other flexible support.

Raising the asset thresholds would substantially reduce community-development accountability and transparency.

According to the agencies' regulatory analysis, 604 FDIC-supervised banks and 194 OCC-supervised banks would move from the intermediate category to the small-bank category and would no longer have a separate community-development test if this proposed rule is implemented. Another 250 FDIC-supervised banks and 126 OCC-supervised banks would move from large-bank to intermediate-bank treatment and would no longer be subject to the existing large-bank data collection, maintenance, and reporting requirements.

Under existing policy, intermediate banks are separately evaluated on community-development lending, investments, and services, while large banks are evaluated under distinct lending, investment, and service tests. The proposal would eliminate the separate community-development test for banks below \$1 billion and apply a less rigorous evaluation to institutions between \$1 billion and \$10 billion.

The National Community Reinvestment Coalition (NCRC) [estimates](#) that approximately 814 banks nationwide would no longer receive a separate community-development evaluation and another 417

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would move out of the large-bank framework, leaving only the largest approximately 6 percent of banks subject to separate reviews of community-development investments and branch services. NCRC also estimates that the proposal would eliminate approximately 11 percent of currently reported CRA small-business lending data nationally. These estimates illustrate the scale of the potential reduction in community-level accountability and publicly available information.

The reduction could be particularly important in Colorado. In the Federal Reserve Banks' 2025 [Small Business Credit Survey](#), 52 percent of the 98 Colorado employer firms surveyed reported using a small bank for financial services, compared with 42 percent nationally. The survey defines a small bank as an institution with less than \$10 billion in assets—the same general asset range that the proposed CRA rule would remove from the large-bank framework.

Reducing the amount of small-business, small-farm, community-development, and assessment-area data available for these institutions could make it more difficult for regulators, community organizations, researchers, and financial institutions to identify unmet credit needs and lending gaps. The Foundation urges the agencies to withdraw this proposal and to preserve meaningful community-development evaluation and data transparency for institutions that would otherwise move into less intensive CRA categories.

Reduced scrutiny of community-development investment could have particular consequences for affordable housing in Colorado.

Access to affordable housing is closely connected to health and economic stability, and Colorado continues to face substantial affordability pressures. [According](#) to the Colorado Housing and Finance Authority (CHFA), 46.8 percent of Colorado renters are housing cost-burdened and 22.9 percent are severely cost-burdened. More than one in five Colorado homeowners are also cost-burdened.

Community-development capital is an important part of Colorado's response. Housing Tax Credits have helped build or preserve more than 83,500 affordable rental homes in Colorado since 1986. In the first 2026 funding round, CHFA [awarded](#) credits to 14 developments expected to support 634 affordable rental homes and generate more than \$219 million in private-sector equity across urban, rural, and Tribal communities.

Moving hundreds of banks out of separate investment evaluations could weaken incentives for investments such as Low-Income Housing Tax Credits, particularly in smaller markets. Because affordable-housing projects depend on multiple public and private financing sources, the Foundation urges the agencies to more fully analyze how reduced investment scrutiny could affect the availability of private capital before eliminating separate investment evaluations for banks that are currently treated as large institutions.

The proposed geographic-flexibility standard could become a ceiling on local community-development activity.

The proposal would allow a large bank, under one option, to receive CRA consideration for community-development activity outside an assessment area after reaching annual levels within that area equal to 0.625 percent of allocated Tier 1 capital for community-development loans and a separate 0.625 percent for investments and grants. Intermediate, wholesale, and limited-purpose banks would be subject to a combined 1.25 percent standard.

Although the agencies describe these figures as geographic-flexibility standards rather than CRA passing scores, NCRC found a substantial gap between the proposed benchmark and recent activity. In its review of 69 of the 100 largest banks supervised by the OCC or FDIC, NCRC calculated approximately \$102 billion in annual assessment-area community-development lending, investments, and grants. Applying the proposed 0.625 percent benchmark to those institutions produced approximately \$14.8 billion, about 85 percent below their observed annual activity.

That approximately 85 percent difference raises concern that the threshold could establish a substantially lower benchmark for local community-development activity and influence bank and examiner expectations regarding what constitutes an adequate local commitment. This is particularly important in communities where projects may be smaller, more complex, or more difficult to finance but where unmet housing, small-business, infrastructure, and community-development needs remain significant.

The Foundation urges the agencies to withdraw this proposal and to ensure that any geographic-flexibility provision preserves strong expectations for responsiveness within each assessment area and does not reduce incentives for banks to invest above the regulatory minimum where local needs support greater activity.

Deposit products and branch access remain important components of financial access in Colorado.

The proposal would narrow the large-bank service test to focus on credit services and would no longer consider deposit services such as checking and savings products. The agencies [describe](#) this change as part of an effort to focus CRA more directly on lending and credit needs. The Foundation is concerned, however, that affordable and accessible transaction accounts are closely connected to households' ability to enter and remain in the financial mainstream.

Colorado has made a concerted effort to expand access to safe and affordable banking. Through Bank On Colorado, the Colorado Office of Financial Empowerment [works](#) with financial institutions, local governments, and community organizations to connect residents to accounts that meet national standards. According to the Office's January 2026 [report](#), more than 58,780 Bank On accounts were



opened by Coloradans in 2024 based on data from only about one-third of participating financial institutions, and approximately 87 percent were opened by customers new to the institution.

The substantial use of these accounts underscores the importance of affordable transaction products to financial access in Colorado. Removing deposit products from the CRA service evaluation would therefore eliminate an important mechanism for assessing whether large banks' retail banking services are responsive to community needs.

NCRC also estimates that more than 5,000 branches in low- and moderate-income census tracts and more than 4,000 branches in majority-people-of-color census tracts nationwide are operated by banks that would no longer be subject to a separate large-bank branch evaluation. These figures demonstrate the scale of branch networks that would lose separate scrutiny and underscore the need to evaluate the state and local effects of the proposed thresholds, not only the share of national banking assets held by affected institutions.

The proposed restrictions on community-development grants could reduce flexible support for nonprofit organizations.

The Foundation is also concerned about the proposed treatment of community-development grants. Under the proposal, CRA consideration would generally be limited to grants directly used for a specific program, project, or initiative with a community-development purpose. For grants made by large banks, recipient organizations would also have to demonstrate that indirect costs associated with administering the grant do not exceed 15 percent, supported by documentation that could include an IRS Form 990 and annual operating and program budgets.

If implemented, this provision would be especially impactful to community-based organizations that use operating support and capacity-building resources to maintain staff, develop programs, administer financing, and deliver services. Importantly, the agencies' own regulatory analysis recognizes this possible effect. It states that the direct-use requirement, 15 percent operating-cost condition, and related documentation requirements could mean that general operating support, capacity-building grants, intermediary grants, and grants to smaller nonprofits receive less CRA-motivated funding.

The 15 percent standard also warrants reconsideration. In explaining its proposal, the agencies point to OMB's Uniform Guidance. Yet, as the proposed rule itself acknowledges, OMB describes its 15 percent de minimis indirect-cost rate as a mechanism intended to permit a more reasonable and realistic recovery of overhead costs, particularly for organizations without the capacity to negotiate a formal indirect-cost rate. A de minimis rate designed to ensure some recovery of indirect costs does not necessarily establish that 15 percent is an appropriate ceiling for determining whether a community-development grant should receive CRA consideration.



As a philanthropic organization that works with communities and nonprofit organizations across Colorado, the Foundation recognizes the importance of ensuring that community-development resources reach their intended beneficiaries. At the same time, project delivery necessarily requires sufficient administrative capacity within an organization. The Foundation urges the agencies to withdraw this proposed categorical 15 percent ceiling and to preserve CRA consideration for reasonable general operating, capacity-building, and intermediary support where the underlying activity has community development as its primary purpose. The agencies should seek to prevent misuse of CRA credit without inadvertently creating a standard that makes it more difficult for smaller community organizations to obtain flexible resources necessary to carry out qualifying work.

Conclusion

The Community Reinvestment Act remains an important framework for assessing whether federally supervised banks are helping meet community credit needs. The Foundation supports efforts to make CRA requirements clearer and reduce unnecessary burden, but the proposed changes could substantially reduce scrutiny of community-development activity, investments, services, public data, and flexible nonprofit support.

These concerns are especially relevant in Colorado, where communities face significant affordable-housing needs, small businesses rely on banks below \$10 billion in assets, and tens of thousands of residents are using affordable accounts designed to expand access to mainstream banking.

The Foundation therefore respectfully urges the OCC and FDIC to withdraw the proposed asset thresholds and related reductions in CRA requirements; to preserve meaningful consideration of affordable deposit products and branch access; to ensure that geographic flexibility does not weaken responsiveness within individual assessment areas; and to revise the proposed grant restrictions so that reasonable operating and capacity-building support remains eligible for CRA consideration. The agencies should more fully assess the effects of these changes on low- and moderate-income communities, smaller and rural markets, affordable-housing investment, small-business credit, and community-based organizations before finalizing policy changes of this magnitude.

The Foundation appreciates your consideration of our comments. If you have any questions, please contact Kyle Rojas Legleiter, Colorado Health Foundation Senior Director of Policy, at klegleiter@coloradohealth.org or 303-953-3618.

Sincerely,



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