



August 18, 2025

Ms. Ann Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

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

Ms. Jennifer M. Jones
Deputy Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Notice of Proposed Rulemaking on Community Reinvestment Act Regulations—RIN 1557–AF30; RIN 7100–AG95; RIN 3064–AG13

To whom it may concern,

On behalf of The American Fintech Council (AFC),¹ I am submitting this comment letter in response to the Notice of Proposed Rulemaking on Community Reinvestment Act Regulations (Proposed Rule) by the Board of Governors of the Federal Reserve (FRB or Federal Reserve), Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) collectively referred to as the “Joint Agencies”.

AFC’s mission is to promote an innovative, transparent, inclusive, and customer-centric financial system by fostering responsible innovation in financial services and encouraging sound public policy. AFC members are at the forefront of fostering competition in consumer finance and pioneering ways to better serve underserved consumer segments and geographies. Our members are also improving access to financial services and increasing overall competition in the financial

¹ American Fintech Council’s (AFC) membership spans EWA providers, lenders, banks, payments providers, loan servicers, credit bureaus, and personal financial management companies.

services industry by supporting the responsible growth of lending and lowering the cost of financial transactions, allowing them to help meet demand for high-quality, affordable financial products.

AFC appreciates the Joint Agencies' efforts to minimize regulatory burdens associated with the Community Reinvestment Act's (CRA) obligations by proposing the rescinding of the CRA regulations that went into effect on February 1, 2024 and replacement of these rules with those in effect on March 29, 2024 regulations that went into effect on February 1, 2024 and replacing these rules with those in effect on March 29, 2024. However, as the Joint Agencies consider the rescinding and replacing efforts discussed in the Proposed Rule, AFC respectfully requests that the Joint Agencies consider several reforms, which will be discussed in further detail below, regarding banks' flexibility in using strategic plans to fulfil their CRA obligations, as well as the regulatory processes associated with the usage of strategic plans.

Strategic plans have been crucial for AFC's innovative bank members, because they allow these banks to fulfil CRA requirements in a manner that fits with their unique business models and innovative activities. Unlike traditional banks, that may use a branch network to offer their services, AFC's innovative bank members partner with fintech companies to offer their services nationwide via an online interface. The strategic plan option provides needed flexibility for banks that (because of their business model or product mix) do not fit well under the conventional retail framework that is designed primarily for branch-based banks that offer mortgages and small business loans. As noted, the CRA rules that were in effect on March 29, 2024, offer these banks some flexibility in meeting CRA obligations in a manner that is responsive to community needs and opportunities and appropriate considering their capacities, business strategies, and expertise. However, AFC recognizes the importance of the Joint Agencies to continue pursuing efforts to ensure the strategic plan remains an efficient and effective way for innovative banks to meet their CRA obligations.

Specifically, strategic plans should serve as a way for CRA to accurately capture unique and innovative business models, not limit them. For example, there are innovative banks that are in the business of providing mortgage and small business financing services, which are central to wealth building and deserve an important place in CRA, and there are innovative banks that are predominantly in the business of providing consumer loans, including to borrowers in both rural and urban low- and moderate-income (LMI) communities. Critically, given the fact that these innovative banks leverage their partnerships with fintech companies to offer these services, the current Retail Lending Test may not provide them with full CRA credit for lending conducted through a fintech partner. AFC believes that under a strategic plan the Joint Agencies should also accommodate banks that operate through bank-fintech partnerships and ensure that these banks receive full credit for the CRA eligible activities they conduct through these partnerships. Therefore, AFC respectfully requests that the Joint Agencies consider and adopt a strategic plan framework that properly provides CRA credit to these innovative banks for their CRA-eligible activities conducted through bank-fintech partnerships.

Relatedly, AFC recognizes that the CRA statute ties performance evaluations to areas where a bank maintains deposit-taking facilities. Many innovative banks operate predominantly through nationwide, digital delivery channels, often in partnership with fintech companies. These

channels reach LMI customers across the country, including in rural communities, small towns, and underserved urban neighborhoods, and should be encouraged and recognized. We respectfully request the Joint Agencies to consider ways to ensure these activities receive CRA credit and confirm that qualifying loans, investments, and services that benefit LMI individuals or communities outside facility-based assessment areas are eligible for CRA consideration, so long as statutory requirements for facility-based areas are also met. By pursuing efforts to ensure that CRA credit can be obtained outside of the areas where banks maintain deposit-taking facilities, AFC believes that the Joint Agencies will be able to incentivize additional banking activity from innovative banks and their fintech partners to those LMI communities that need the most assistance.

In practice, AFC believes that there are several reforms the Joint Agencies can make in their strategic plan review processes to help innovative banks who pursue strategic plans meet their CRA obligations. First, while the text of the Community Reinvestment Act notes that “[t]he appropriate Federal banking agency seeks to act upon a draft plan within 90 calendar days after the appropriate Federal banking agency receives the complete draft plan,” it is our understanding that the Joint Agencies do not strictly adhere to this 90 calendar day provision.² In turn, this means that innovative banks regularly experience delays in the approval of their strategic plans. To that end, AFC recommends that the Joint Agencies consider reiterating, harmonizing, and enforcing the 90 calendar day provision as a maximum timeframe for the strategic plan approval process—commonly referred to as a “shot clock”—to ensure that regulators efficiently engage with innovative banks seeking to use a strategic plan to fulfil their CRA obligations.

Further, During the review process, the Joint Agencies should ensure that a collaborative, transparent environment exists between innovative banks and their respective regulator. For example, innovative banks requesting approval for a strategic plan should be able to request feedback from their regulators at any stage in the review process. Taken together, AFC believes that these additional practical measures will greatly improve the strategic plan request process for both innovative banks and regulators, ensuring that innovative banks can focus on fulfilling their CRA obligations instead of engaging in overly burdensome administrative activities.

It is important to note that innovative banks exist under the regulatory jurisdiction of each of the Joint Agencies. Similarly, fintech companies may partner with multiple innovative banks who are regulated by different federal banking agencies. Simply put, responsible bank-fintech partnerships rely on clear and consistent regulatory requirements in order to operate effectively. Therefore, AFC respectfully requests that as the Joint Agencies consider further CRA reforms, that they do so in a unified manner. Specifically, we believe that the Joint Agencies should apply the same definitions, criteria, and timelines to strategic plans, so innovative banks partnering with fintech companies do not face differing interpretations.

AFC appreciates the opportunity to comment on the Joint Agencies’ Notice of Proposed Rulemaking on Community Reinvestment Act Regulations. We recognize and appreciate the Joint Agencies’ efforts to ensure that innovative banks do not face excessive regulatory burdens in their efforts to meet their CRA obligations. As noted above, AFC respectfully requests that the Joint Agencies retain the much-needed flexibility afforded to innovative banks through strategic

² 12 CFR 25.27(h)(1).

plans, and that the Joint Agencies consider our practical recommendations on how to improve the strategic plan review process. We thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian P. Moloney", with a stylized flourish at the end.

Ian P. Moloney
SVP, Head of Policy and Regulatory Affairs
American Fintech Council