



Community Reinvestment Act Regulations: Extension of Comment Period  
Office of the Comptroller of the Currency  
Docket ID OCC–2018–0008

Comments of the National Digital Inclusion Alliance  
Submitted by:  
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The National Digital Inclusion Alliance (NDIA) appreciates this opportunity to comment on the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) Joint Notice of Proposed Rulemaking regarding the Community Reinvestment Act (CRA).

NDIA represents leaders of local community organizations, public libraries, municipalities, housing authorities and other institutions working to reduce digital disparities among neighbors. To improve the daily lives of all community members, NDIA calls for digital inclusion public policies that reflect local expertise and diverse experiences.

NDIA’s approach is based in the knowledge that digital inclusion is most effectively promoted by community-driven efforts combining:

- Affordable home broadband service,
- Public broadband access,
- Appropriate affordable devices and
- Locally trusted technology training and support.

NDIA currently has 415 affiliated organizations in 44 states, the District of Columbia and the U.S. Virgin Islands. Local NDIA affiliates provide digital literacy training, public Internet access, refurbished computers, affordable home broadband options, and digital inclusion advocacy on behalf of low and moderate income residents of our communities. Among other work, these organizations provide guidance to low-income parents connecting to their children’s teachers, teach older adults how to access their electronic health records and use online banking tools, help veterans learn digital skills in order to find employment, and empower disabled citizens to participate more fully in their communities.

A complete list of NDIA affiliates with links to their websites can be found at <https://www.digitalinclusion.org/affilia>

### *Purpose of comments*

NDIA does not take a position on the proposed rulemaking as a whole. Our purpose in submitting these comments is to urge the OCC and FDIC:

- to recognize digital literacy training and other aspects of community-based digital inclusion programming, to the extent they serve Low and Moderate Income (LMI) residents and communities, as “community support services” that may qualify for CRA treatment within the meaning of §§ 25.04(c)(4) and 345.04(c)(4); and
- to recognize digital literacy training for LMI residents and communities -- i.e. training in the basic skills of computer, mobile device and Internet use – as “Financial literacy programs or education or homebuyer counseling” within the meaning of §§ 25.04(c)(9) and 345.04(c)(9), especially where that digital literacy training enables LMI residents to understand and use Internet banking applications.

As the phrase is used here, “*Other aspects of community-based digital inclusion programming*” include community activities which assist LMI households to acquire affordable computers and other Internet-capable devices; community activities which assist LMI households to acquire home broadband Internet service, especially by overcoming barriers of cost and/or lack of local internet infrastructure; and community activities which provide ongoing technical and learning support for LMI residents who are new adopters of computer and internet technologies.

### *Rationale*

During the past three weeks, banks in communities across the country have closed their teller windows and lobbies, following state lockdown orders and the imperatives of social distancing in response to the COVID-19 pandemic. These actions have limited consumer banking access in many communities to drive-through windows (where they exist), ATMs and the internet.

At the same time, individuals across the country are being urged, and in many cases legally required, to stay at home to the maximum possible extent in order to limit the spread of COVID-19. Older adults are especially urged to avoid activities outside their homes, since they are particularly vulnerable to the virus. Even if banks were open, “going to the bank” would now be a risky and socially discouraged option.

Unfortunately, as a massive share of our normal daily activity – work, education, commerce, government, worship – has been forced to move to online environments, the nation has realized that tens of millions of households can’t move there with us, because they lack home Internet access and (in many cases) the equipment and skills necessary for its use. What was widely seen a few weeks ago as a mostly rural problem – a digital divide between unconnected rural areas and well-connected cities and suburbs – has been revealed to be something much broader. School systems, employers and healthcare systems in communities of all sizes are confronting the fact that large percentages of their students, workers and patients – especially those who are poorer and older – are unable to adapt to this new environment of online classes, telework and telehealth.





The same is true, of course, for banks. For the majority of U.S. consumers, lack of access to bank lobbies and tellers is a minor inconvenience, if it matters at all. Online banking gives most of us easy access to our accounts, the ability to pay our bills electronically, even the ability to apply for credit and seek customer support – all without leaving home. But this is not true for the millions of Americans in both rural and urban communities who are still living without home Internet connections -- even smartphone connections -- and who are disproportionately lower-income themselves, and likely to reside in LMI areas.

The most recent available Census data, from the 2018 American Community Survey (ACS), showed about 18 million of the nation’s 122 million households with no broadband internet subscriptions of any kind, including mobile data plans.<sup>1</sup> While several million of these households lived in rural areas, about three-quarters were found in what the Census calls “urbanized areas” and “urban clusters”<sup>2</sup> -- that is, places where mainstream commercial broadband service is very likely to be available.

The ACS shows the income distribution of households without broadband to be heavily skewed to low and moderate income residents. Nationally, households with incomes below \$35,000 constituted about 28% of all households, but accounted for 60% of those without broadband subscriptions. Households with incomes below \$20,000 were only 15% of the total, but 38% of those without broadband.<sup>3</sup> The association of lack of connectivity with lower income is unmistakable.

So it’s not surprising that the poorest neighborhoods are usually those with the highest percentages of unconnected residents.<sup>4</sup>

By definition, this means that these low income residents and neighborhoods have less access to online banking services. In normal times, this is serious enough to warrant the attention of banks and their regulators. Online banking has become an intrinsic part of mainstream financial services. LMI consumers and communities need the opportunity to adapt, like most Americans, to a banking market that increasingly relies on online and mobile channels rather than nearby branch locations to serve their “convenience and needs”.

But the current crisis demonstrates that the stakes can be even greater in an emergency. Banking customers who are digitally literate and have the means to use online banking tools, including

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<sup>1</sup> 2018 American Community Survey 1-Year Estimates, Table B28002

<sup>2</sup> American Community Survey 2018 1-Year Estimates, Tables GCT2801 and S1101

<sup>3</sup> 2018 American Community Survey 1-Year Estimates, Table B28004

<sup>4</sup> See, for example,

<https://www.inquirer.com/news/comcast-digital-internet-access-philly-poor-people-20181210.html>





home broadband, are able to track and manage their finances normally without leaving their homes. Customers who lack the digital skills and/or tools to bank online, including home broadband, do not have this option; they may need to leave their homes and travel to a distant ATM or branch

-- possibly via public transportation -- to carry out a routine deposit, withdrawal or balance inquiry, increasing the risk to their own and others' health in the process.

No one knows how long the current emergency will keep bank branches closed and require consumers to shelter in place. We hope that normal branch access and public travel will resume long before any changes resulting from this proposed rulemaking take effect.

But even if it only lasts a few more weeks, this experience should provide a convincing demonstration to OCC and FDIC that the widespread shift of consumer banking activity to the internet, combined with persistent home broadband gaps that disproportionately affect LMI residents and communities, have created precisely the kind of systemic inequity in access to banking services that the CRA is intended to prevent.

Of course CRA-regulated banks are not responsible for the nation's digital divide, and have no special responsibility to eliminate it. But banks should recognize a rational business interest in supporting, or even helping to lead, community digital inclusion efforts that will enable more LMI households and communities to take advantage of their online and mobile channels. And OCC and FDIC should recognize a strong public policy rationale to encourage them, rooted in the CRA's core purpose of promoting equitable access to mainstream banking services for residents of LMI communities.

#### *Specific NDIA proposals in response to the proposed rulemaking*

OCC and FDIC can provide that encouragement, in the framework of the proposed Rule, by adding appropriate examples to the proposed Qualifying Activities Illustrative List.

The added examples should affirm that a bank's support for community digital inclusion initiatives (i.e. community initiatives that provide digital literacy training, affordable Internet access, access to affordable computing devices, or related technical or learning support), for LMI households or residents of an LMI neighborhood, may be considered a "Community support service" covered by proposed qualifying regulatory criteria §§ 25.04(c)(4) and 345.04(c)(4).

The added examples should also affirm that digital literacy training which is wholly or partly aimed at enabling the trainees to use online banking services may be a qualifying "Financial literacy program" within the meaning of criteria §§ 25.04(c)(9) and 345.04(c)(9).





Below, NDIA provides possible wording for several such examples:

**§§ 25.04(c)(4) and 345.04(c)(4): Community support services which means activities, such as child care, education, health services, and housing services, that partially or primarily serve or assist low- or moderate-income individuals or families**

*Example:* A grant to a nonprofit organization or public library program which provides free digital literacy training for LMI individuals or residents of a LMI neighborhood.

*Example:* A grant in support of a nonprofit program which refurbishes used computers in order to provide them to LMI individuals at no cost or at a very low cost.

*Example:* An in-kind donation of computer equipment to a nonprofit program which refurbishes used computers in order to provide them to LMI individuals at no cost or at a very low cost.

*Example:* A grant to a nonprofit community program which assists LMI individuals to find and enroll in free or low-cost home broadband internet services for which they are eligible.

**§§ 25.04(c)(9) and 345.04(c)(9): Financial literacy programs or education or homebuyer counseling**

*Example:* Financial support of a nonprofit community program that provides digital literacy training to residents of an LMI neighborhood, in order to increase their ability to use online banking services.

Thank you.