June 1, 2022

James P. Sheesley, Assistant
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Attention: Comments—RIN 3064–ZA32

To Whom It May Concern:

The U.S. Impact Investing Alliance ("the Alliance") writes in support of the Federal Deposit Insurance Corporation's ("FDIC") draft principles for management of climate-related financial risks for large financial institutions.

The Alliance is an organization committed to catalyzing the growth of impact investing in the United States. We define impact investing broadly to include those investments that create financial returns alongside measurable and positive social, economic or environmental impact across asset classes. Members of our boards and councils include high-net-worth individual and institutional investors collectively owning hundreds of billions of dollars of invested assets, in addition to asset and fund managers collectively managing over one trillion dollars in assets.

Climate change poses significant and systemic risks to financial stability and the capital markets, and there is growing evidence that failing to act on climate change will have profound negative consequences for the U.S. economy.[1] Investors and global stakeholders are increasingly calling on financial institutions to measure and manage their exposures to both physical and transition risks.[2] The FDIC's set of principles will help provide clarity to financial institutions seeking to do so, and they represent a clear extension of the FDIC's founding mission to maintain stability and public confidence in our national financial system.

In particular, the Alliance is supportive of the FDIC's consideration within the principles of climate-related financial risks in the context of low- to moderate-income ("LMI") communities. There is

---

[1] Financial Stability Oversight Council, Report on Climate-Related Financial Risk, 2021, https://home.treasury.gov/system/files/261/FSOC-Climate-Report.pdf; Deloitte, Inaction on Climate Change Could Cost the US Economy $14.5 Trillion by 2070, January 2022, https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/deloitte-report-inaction-on-climate-change-could-cost-the-us-economy-trillions-by-2070.html.

[2] Basel Committee on Banking Supervision, Principles for the effective management and supervision of climate-related financial risks, November 2021, https://www.bis.org/bcbs/publ/d530.htm. Ellen Meyers, Roll Call, ESG investors urge regulators to create game plan for climate risk, January 2022, https://rollcall.com/2022/01/13/esg-investors-urge-regulators-to-create-climate-risk-game-plan/.

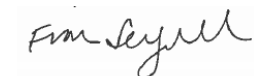
significant evidence that climate change disproportionately harms LMI communities,[3] and banks should incorporate these considerations into their strategic planning to ensure that LMI communities have adequate access to financial services and banking products. Related to the Community Reinvestment Act ("CRA") in particular, the Alliance believes banking regulators should consider whether a bank's investments and efforts to mitigate negative climate-related impacts on LMI communities should be factored into the institution's CRA rating. We look forward to exploring this issue further in our comments to the FDIC responding to the joint proposed regulations alongside the Federal Reserve Board of Governors ("Federal Reserve") and the Office of the Comptroller of the Currency ("OCC").[4]

The Alliance would also emphasize the importance of the included guidance directing boards and management of financial institutions to ensure their climate-related public statements or commitments align with internal strategies. The U.S. Securities and Exchange Commission ("SEC") recently proposed enhanced disclosures on climate-related risks for U.S.-listed companies,[5] including specific disclosures related to climate-related targets and goals. The FDIC should ensure banks are held to the same transparency standard for the benefit of investors and customers regarding how they are executing and living up to these commitments, such as net-zero carbon emissions pledges, that could impact financial stability over the long term.

Furthermore, the FDIC should consider how to align with efforts across federal agencies related to mandated, public reporting of climate-related financial risk, including the SEC's proposed climate disclosures for U.S.-listed companies.

Addressing the financial impacts of climate change will require a cohesive, coordinated approach to measuring, managing and mitigating the harmful effects of climate change on American companies, investors, workers, consumers and communities. Thank you for your leadership on this important issue for the future stability of financial institutions and the U.S. economy as a whole.

Sincerely,



Fran Seegull
President
U.S. Impact Investing Alliance

---

[3] EPA. 2021. Climate Change and Social Vulnerability in the United States: A Focus on Six Impacts. U.S. Environmental Protection Agency, EPA 430-R-21-003, https://www.epa.gov/cira/social-vulnerability-report.
[4] Federal Reserve, Federal Deposit Insurance Corporation and OCC, Notice of Proposed Rulemaking, RIN 3064-AF81, May 2022, https://www.federalreserve.gov/consumerscommunities/files/cra-npr-fr-notice-20220505.pdf.
[5] U.S. Securities and Exchange Commission (SEC), Notice of Proposed Rulemaking, The Enhancement and Standardization of Climate-Related Disclosures for Investors, RIN 3235-AM87, March 2021, https://www.sec.gov/rules/proposed/2022/33-11042.pdf.