Consumer Federation of America

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Comments Submitted to the Office of the Comptroller of the Currency Regarding Principles for Climate-Related Financial Risk Management for Large Banks- Docket ID OCC-2021-0023

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The Consumer Federation of America (CFA) appreciates the opportunity to submit the following comments to the Office of the Comptroller of the Currency (OCC) on its draft principles designed to support the identification and management of climate-related financial risks by banks with over $100 billion in assets. CFA advocates for legislative and administrative action to address the severe threats of climate change and the resulting serious economic, environmental, and public health consequences. Climate change presents substantial risks to banks, our financial system, and our economy, and many banks will benefit from clear, holistic guidance on assessing those risks. We support this important step toward addressing climate-related financial risks in the banking system and urge the OCC to meaningfully address all stakeholder concerns and questions, strengthen this draft, and develop principles that adequately address the existential and severe threat that climate change poses to our financial system.

CFA is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. Over 250 of these groups participate in the federation and govern it through their representatives on the organization's Board of Directors. Our comments are based on CFA's many years of experience advocating for consumer protections in the financial marketplace, protective financial and bank regulation, and affordable and fair access to financial services.

1. Climate Change is an Existential Threat to Our Financial System That the OCC and Other Federal Regulators Must Address

The OCC is an independent bureau within the U.S. Department of the Treasury that charters, regulates, and supervises all national banks and thrift institutions, as well as federally licensed branches and agencies in the United States. The bureau's work is extremely vital to the United

States and the banking sector, and it works closely with a variety of regulatory agencies. The OCC plays an important role in identifying and reducing financial risks. As the Federal Reserve,[1] the Financial Stability Oversight Council,[2] and the National Oceanic and Atmospheric Administration have written,[3] climate change poses significant risks and challenges to our economy, financial system, and financial stability. It is critically important for the bureau, and other federal financial regulators, to assume a leading role.

Climate change is already affecting the United States with more extreme weather and natural disasters,[4] increasing surface temperature,[5] and rising sea level,[6] and these sweeping changes show no sign of easing.[7] For example, analysis of satellite images dating back to 1979 shows that climate change is making hurricanes more intense and destructive. Now they are more likely to develop into a Category 3 storm or higher, with winds of at least 110 miles per hour.[8] Additionally the U.S. Forest Service estimates that the fire season is two and a half months longer than in the 1970s, and wildfires are burning more acres than ever before.[9] In 2021, over 40% of Americans lived in counties affected by climate disasters, which included flooding, mudslides, power outages, wildfires, drought, and heat waves.[10] These natural disasters cause not only loss of life and property, the National Oceanic and Atmospheric Association reports the

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[1] "Climate Change Is a Source of Financial Risk." By Glenn D. Rudebusch. Federal Reserve Bank of San Francisco. Feb. 8, 2021. Available at https://www.frbsf.org/economic-research/publications/economic-letter/2021/february/climate-change-is-source-of-financial-risk/.

[2] "Report on Climate-Related Financial Risk." Financial Stability Oversight Council. 2021. Available at https://home.treasury.gov/system/files/261/FSOC-Climate-Report.pdf. [Hereinafter "Report on Climate-Related Financial Risk," FSOC, 2021.]

[3] "U.S. Billion Dollar Disaster Events 1980-2021." National Oceanic and Atmospheric Administration. National Centers for Environmental Information. 2021. Available at https://www.ncdc.noaa.gov/billions/time-series.

[4] A recent report from NOAA states that "In 2021, there were 20 weather/climate disaster events with losses exceeding $1 billion each to affect the United States. These events included 1 drought event, 2 flooding events, 11 severe storm events, 4 tropical cyclone events, 1 wildfire event, and 1 winter storm event. Overall, these events resulted in the deaths of 688 people and had significant economic effects on the areas impacted." See NOAA National Centers for Environmental Information, U.S. Billion-Dollar Weather and Climate Disasters (2022). Available at https://www.ncdc.noaa.gov/billions/.

[5] "Climate Change Indicators: U.S. and Global Temperature." Environmental Protection Agency. 2021. Available at https://www.epa.gov/climate-indicators/climate-change-indicators-us-and-global-temperature..

[6] "Climate Change: Global Sea Levels." National Oceanic and Atmospheric Administration. 2020. Available at https://www.climate.gov/news-features/understanding-climate/climate-change-global-sea-level.

[7] "A Hotter Future Is Certain, Climate Panel Warns. But How Hot Is Up to Us." By Henry Fountain and Brad Plumer. The New York Times. Aug. 9, 2021. Available at https://www.nytimes.com/2021/08/09/climate/climate-change-report-ipcc-un.html.

[8] "Climate Change is Making Hurricanes Stronger, Researchers Find." By Henry Fountain. New York Times. May 18, 2020. Available at https://www.nytimes.com/2020/05/18/climate/climate-changes-hurricane-intensity.html.

[9] "The Climate Change Link to More and Bigger Wildfires." By Nick Mott. NPR. July 27, 2021. Available at https://www.npr.org/2021/07/27/1019898087/climate-change-wildfires.

[10] "More than 40% of Americans Live in Countries Hit by Climate Disaster in 2021." By Sarah Kaplan and Andrew Ba Tran. Washington Post. January 5, 2022. Available at https://www.washingtonpost.com/climate-environment/2022/01/05/climate-disasters-2021-fires/.

U.S. has witnessed 310 weather and climate disasters since 1980 with damage or costs of $1 billion or more.[11]

Further, the Financial Stability Oversight Council (FSOC) recently identified climate change as an emerging and increasing threat to financial stability. The Council stated that by collecting and publicly disclosing data, incorporating analysis of climate-related risks into supervisory and regulatory functions, and promoting disclosures of climate related risk, "financial regulators can both promote the resilience of the financial system and help it support an orderly, economy-wide transition toward the goal of net-zero emissions."[12]

The risks to our financial system require further action beyond market forces and competition. Strong regulations are needed to ensure that banks adequately assess climate-related financial risks and are properly prepared for climate-related impacts, and that consumers are sufficiently informed of how climate change will affect their financial well-being. Although these principles are an important first step, the OCC also must encourage smaller banks to consider these risks and prepare for them, since smaller banks are more likely to feel the brunt of climate change's effects. The OCC must also encourage the other financial regulators, including the Federal Deposit Insurance Corporation (FDIC), National Credit Union Association (NCUA), and the Consumer Financial Protection Bureau (CFPB), to address climate related financial risks through their regulatory and supervisory actions as well.

2. Climate Change Will Disproportionately Hurt Low- and Moderate-Income Consumers and Communities of Color

Low- and moderate- income (LMI) consumers, communities of color, and other financially vulnerable Americans are especially susceptible to the effects of climate change and climate-related financial risks.

These consumers already feel the brunt of predatory financial practices, discriminatory policies, and systems that perpetuate existing disparities. In addition, these consumers have less access to safe and affordable credit or traditional financial services and therefore, are more likely to be unbanked and make use of nonbank financial services such as money orders, check-cashing services, and payday loans.[13]

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[11] "U.S. Billion-Dollar Weather and Climate Disasters." NOAA National Centers for Environmental Information. 2022. Available at https://www.ncdc.noaa.gov/billions/.
[12] "Report on Climate-Related Financial Risk," FSOC, 2021.
[13] "How America Banks: Household Use of Banking and Financial Services." Federal Deposit Insurance Corporation. December 17, 2021. Available at https://www.fdic.gov/analysis/household-survey/.

Among banked consumers, Black and Latino consumers are more likely than white consumers to have incurred overdraft fees[14] and are already harmed by lack of oversight and predatory practices. Although 18% of consumers reported overdrafting an account in December 2021, these rates are higher for underbanked consumers and those experiencing income volatility.[15]

High interest, short-term lenders specifically target and exploit Black communities– Black adults are more likely than white adults to live near payday lenders and pawn shops.[16] Although credit cards can be a more affordable form of credit, Black consumers find it more difficult to obtain them.[17] Additionally, Black and Hispanic households find it more difficult to gain approval for conventional mortgages, and when they are approved they tend to pay higher interest rates.[18] This is partly due to the use of credit reports and scores, which both reflect and perpetuate large racial disparities and have a very real impact on consumers' abilities to pay their bills.[19] Finally, these systems and practices exacerbate the racial wealth gap– in 2019, the typical white family has five times the wealth of the typical Hispanic family and eight times the wealth of a typical Black family.

These consumers are also particularly vulnerable to the greatest impacts of climate change and will be the least able to prepare for and recover from the effects of climate change, including health, labor, and financial costs. The Environmental Protection Agency (EPA) recently reported consumers of color and low-income consumers face disproportionate and unequal risks of the impacts of climate change, including the impacts that air quality and extreme temperature will have on health and labor hours; property damage and loss, and traffic delays due to island and coastal flooding.[20] Consumers of color are most likely to live in areas with the highest projected impacts of climate changes.[21] In addition, those consumers with low-income or no high school

[14] "Amid Resurgence of Interest in Overdraft, New Data Reveal How Inequitable It Can Be." Financial Health Network. Sept. 3, 2021. Available at https://finhealthnetwork.org/amid-resurgence-of-interest-in-overdraft-new-data-reveal-how-inequitable-it-can-be/.

[15] "Overdrafted, Underbanked, and Looking for New Providers: A Deep Dive into Consumers Who Overdrafted in 2021." By Charlotte Principato. Morning Consult. January 11, 2022. Available at https://morningconsult.com/2022/01/11/overdrafted-underbanked-and-looking-for-new-providers/.

[16] "It's What We Call Reverse Redlining: Measuring the Proximity of Payday Lenders, Pawn Shops to Black Adults." By Claire Williams. Morning Consult. July 23, 2020. Available at https://morningconsult.com/2020/07/23/black-consumers-payday-loan-banking-services/.

[17] "Access to Cheap Money Has a Racial Gap." By Claire Williams. Morning Consult. June 3, 2019. Available at https://morningconsult.com/2019/06/03/access-to-cheap-money-has-a-racial-gap/.

[18] "Blacks, Hispanics Face Extra Challenges in Getting Home Loans." By Drew Desilver and Kristen Bialik. Pew Research Center. January 10, 2017. Available at https://www.pewresearch.org/fact-tank/2017/01/10/blacks-and-hispanics-face-extra-challenges-in-getting-home-loans/.

[19] "Past Imperfect: How Credit Scores and Other Analytics 'Bake In' and Perpetuate Past Discrimination." National Consumer Law Center. May 2016. Available at https://www.nclc.org/images/pdf/credit_discrimination/Past_Imperfect050616.pdf.

[20] "Climate Change and Social Vulnerability in the United States: A Focus on Six Impacts." Environmental Protection Agency. Sept. 2021. Available at https://www.epa.gov/system/files/documents/2021-09/climate-vulnerability_september-2021_508.pdf.

[21] *Id.*

degree are more likely to currently live in areas with the highest projected losses of labor hours.[22] Consumers of color and low-income consumers are disproportionately at risk to the highest health, labor, and property impacts of climate change.

Further, these consumers also bear the brunt of financial instability and crises. As we learned from the 2008 financial crisis, the effects of financial crises are disproportionately felt by low[23] and moderate-income consumers[24] and communities of color.[25] The result is a K-shaped recovery– following a recession, different parts of the economy recover at different rates, times, or magnitudes– resulting in exacerbation of the existing wealth, homeownership, wage, and employment gaps.

Climate change and the associated financial risks will disproportionately harm consumers of color and low-income consumers. Banks are not idle spectators to the anticipated effects climate change will have on our financial system and the consumers they serve.

The OCC must be aggressive and proactive to address the ways in which bank activity might be fueling climate change and ensure that banks are adequately prepared for and addressing climate-related financial risks. Further, the OCC should pay particular attention to the ways in which vulnerable consumers will be disproportionately affected by climate-related risks; and through supervision of regulated entities, monitor how safety and soundness issues affect consumers of color low-income consumers, and other financially vulnerable consumers; ensure that physical banking access is expanded and not consolidated; and make certain that their activities are driving the financial stability of all consumers they serve. In addition, CFA shares the concerns raised by other consumer advocacy groups about the need for the OCC to consider the interaction between its climate supervision policies and fair lending.

3. CFA Recommends the Following:

In order for banks to prepare for climate change and the associated risks, they must adopt good governance strategies, apply transparency, accountability, responsibility, and fairness in their business activities, and the OCC must facilitate these changes through mandatory requirements.

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[22] *Id.*
[23] "Weathering the Recession: The Financial Crisis and Family Wealth Changes in Low-Income Neighborhoods." By Leah Hendey, Signe-Mary McKernan, and Beadsie Woo. March 2012. Available at https://www.urban.org/sites/default/files/publication/25686/412626-weathering-the-recession-the-financial-crisis-and-family-wealth-changes-in-low-income-neighborhoods.pdf.
[24] "How the Great Recession Hurt the Middle Class—Twice." By Brad Hershbein. Dec. 4, 2017. Available at https://www.brookings.edu/blog/up-front/2018/12/04/how-the-great-recession-hurt-the-middle-class-twice/.
[25] "Communities of Color Hardest Hit, Slowest to Recover from Recession." Center for American Progress. January 28, 2022. Available at https://www.americanprogress.org/article/communities-of-color-hardest-hit-slowest-to-recover-from-recession/.

Below are several recommendations that the OCC and banks should take regarding climate-related financial risks.

The OCC Should Enact Mandatory Requirements for Considering Climate-Related Financial Risk and Cooperate with Other Agencies

The OCC's principles for climate-related risk financial managements provide an excellent framework for reducing risks and preparing for worst-case scenarios. But the principles are dependent upon the banks recognizing their significance and fully embracing them; if financial institutions are reluctant to implement the principles, they are of limited use. The OCC should therefore institute mandatory requirements to ensure large banks are adequately addressing climate related financial risk and incorporating the costs of carbon emissions into their financial strategies. For example, the OCC should require greater capital requirements to counter climate-related financial risk[26] and in order to do that, climate change needs to be included in economic and financial forecasts and assessments of systemic risk.[27]

The OCC Should Work with Other Federal Agencies to Comprehensively Address Climate Related Financial Risk

Interagency cooperation is essential to reducing climate-related financial risk and ensuring that banks are prepared for its adverse, multifaceted impacts. The OCC should work with the following organizations on various projects:

- The OCC should cooperate with the Federal Insurance Office (FIO) to create a national effort to develop and implement mitigation and resilience standards and strategies to reduce exposure to climate change-driven risk.[28] The effort should include how banks and insurance companies will contribute to such mitigation as part of their overall work. FIO and the OCC should also develop workstreams on insurance industry underwriting practices with climate impacts, how available and affordable insurance is and the likely impacts of climate change on that affordability, and develop federal and regional strategies to meet expanding capital needs for reinsuring major catastrophes and natural disasters.

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[26] "Addressing Climate-Related Financial Risk Through Bank Capital Requirements." Center for American Progress. May 21, 2021. Available at https://www.americanprogress.org/article/addressing-climate-related-financial-risk-bank-capital-requirements/.

[27] "New Tools Needed to Assess Climate-Related Financial Risk." By Heather Boushey, Noah Kaufman, and Jeffrey Zhang. The White House. Nov. 3, 2021. Available at https://www.whitehouse.gov/cea/written-materials/2021/11/03/new-tools-needed-to-assess-climate-related-financial-risk/.

[28] "Re: FIO Insurance Sector and Climate-Related Financial Risks." Consumer Federation of America. November 15, 2021. Available at https://consumerfed.org/wp-content/uploads/2021/11/FIO-Insurance-Sector-and-Climate-Related-Financial-Risks.pdf.

- The OCC should coordinate with the deposit institution regulators, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Association (NCUA), and state banking regulators, as well as the market regulators, Federal Housing Finance Authority (FHFA), Office of Financial Research, and the Consumer Financial Protection Bureau (CFPB), which has established a climate working group.[29] Together with these other regulators, the OCC can require that all financial institutions publicly disclose any assets that contribute to climate change, mitigate climate risks to their portfolios, and provide credit, physical banking access, and necessary financial services to communities facing the worst impacts of climate change.
- The OCC should further cooperate with other agencies, including but not limited to the Environmental Protection Agency (EPA), Federal Emergency Management Agency (FEMA), and Consumer Financial Protection Bureau (CFPB) to holistically address the impact of climate change on consumer financial well-being and security. In 2021, the CFPB established a climate working group to better assess the impact of climate change on consumer financial well-being and on the markets for consumer financial products and services. The working group will also examine the adverse impacts of climate change of historically underserved and disadvantaged communities and households–an obvious area of possible cooperation with the OCC.[30]

Banks Should Take a Holistic View of Climate Risk and Stakeholder Exposure

The principles proposed by the OCC advance critical considerations for regulated banks. As such, they should be adopted and built upon with a broader view of climate-related financial risk management. Due to the size, organizational complexity, and economic footprint of large national banks, many of which are also public companies, these banks are unique among industry sectors in the context of climate change. Large banks are exposed to the climate-related risks of their own financial entanglements, and by extension their own stakeholders are exposed to the same. Because the physical and socioeconomic footprint of large national banks is so expansive,[31] regulation of them should be tailored to capture the unique risks that they present, and this reality should be reflected in the OCC's principles for climate-related risk management and subsequent regulations. On an institutional level, the complexities of large banks' climate exposure risk should also be reflected in risk management governance, policies and procedures, and public disclosures.

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[29] "Report on Climate-Related Financial Risk," FSOC, 2021, at 38.
[30] *Id.*
[31] "Are Banks Prepared for Climate Change?" Boston Common Asset Management., (2015). Available at https://bostoncommonasset.com/Membership/Apps/ICCMSViewReport_Input_App.ashx?IX_OB=None&IX_mId=18&IX_RD=Y&ObjectId=731308, ("Banks are tied to every market sector through their lending practices, making them uniquely vulnerable to climate-related risk.").

As the OCC develops principles and subsequent regulations for large banks, the view must be that a bank's stakeholders include more than just physical assets, balance sheets, and shareholders. For these banks, and as discussed throughout this comment letter, the impacts of both good climate risk management and less-than-good climate risk management will have significant downstream impacts, and this will be especially true for those communities that are already the most vulnerable, both to the physical impacts of climate change and the financial impacts of instability in the financial system. As the OCC's proposed principles state, "The board and management should also consider climate-related financial risk impacts on stakeholders' expectations, the bank's reputation, and LMI and other disadvantaged households and communities, including physical harm or access to bank products and services." This statement should be a forethought for oversight, rather than an afterthought.

The OCC's RFI asks, "How do banks determine when climate-related financial risks are material and warrant greater than routine attention by the board and management?" This question may or may not seek to impart the same meaning of the word "material" as does the anti-fraud provisions of the securities laws,[32] but hopefully not. To do so would unfortunately lead to a view that may dangerously narrow the climate-related considerations of banks' risk management strategies and those which the OCC should incorporate into its oversight. Importantly, it is difficult to identify an industry sector that has more vulnerabilities or touch points to climate change as do large national banks,[33] and to limit consideration and/or management of these unique vulnerabilities by way of a narrowed materiality analysis would be dangerous for banks, stakeholders, and the financial system writ large. The climate risks of one bank are likely to also spell climate risks for many others as well, and a narrowed view of material climate risks may therefore undermine the systemic view required of the OCC.[34]

Appropriately, the RFI asks, "How could existing regulatory reporting requirements be augmented to better capture banks' exposure to climate-related financial risks?" Here again, the RFI seems to appreciate the complex, multifaceted impacts that climate change poses for banks. As such, the OCC should certainly consider information that is financially material to regulated entities' shareholders, that is "material" in the SEC/shareholder context, but only as one piece of the larger constellation of climate change risks that should be actively managed by banks, should

[32] "Comment Letter Re: Public Input on Climate Change Disclosures." Consumer Federation of America. June 14, 2021. Pg 21-22. Available at https://consumerfed.org/wp-content/uploads/2021/06/SEC-Climate-Change-Disclosure-Letter.pdf.

[33] "Climate Change and Financial Stability." Board of Governors of the Federal Reserve System. March 19, 2021. Available at https://www.federalreserve.gov/econres/notes/feds-notes/climate-change-and-financial-stability-20210319.htm.

[34] "Financing a Net Zero Economy: The Consequences of Physical Climate Risk for Banks." Ceres. Pg 57. Sept. 8, 2021. Available at https://www.ceres.org/sites/default/files/reports/2021-09/Ceres%20Financing%20a%20Net%20Zero%20Economy%20FINAL.pdf. ("Of course, systemic risks don't have to be catastrophic to be material. Large, correlated shocks on a set of financial institutions, such as the ones induced by major disasters, can lead to systemic risks if they cause financial institutions to reassess the risk of their counterparties who have been directly or indirectly affected by the initial shocks.").

be incorporated both into bank's risk governance and strategic planning, and also codified in the OCC's safety and soundness oversight and regulation.

Banks Should Gather Expertise and Authority for Climate Scientists

Banking institutions should possess substantial expertise on climate change and its impacts, both physical and financial. Knowledge about climate change is essential for making informed decisions and yet, too many banks are ignorant of this subject. Banks should be required to have climate scientists as members of their corporations and for these scientists to be given resources and authority so they can evaluate the impacts of rising sea levels, more frequent extreme weather disasters, and other consequences of a warming plant. These positions should be substantive and possess the power to make real reforms, as opposed to surface level "greenwashing"— conveying a false impression or providing misleading information about how a company's products are more environmentally sound. Bank boards and management must also understand climate-related financial exposures and the vulnerability of their institutions.

A few banks, including the European Central Bank and Lombard Odier, are competing to hire experts in order to gain knowledge and decarbonize their portfolios and loan books.[35] Mounting evidence shows that climate change poses a serious threat to price stability and financial systems, and some institutions feel they require greater expertise.

Although CFA appreciates Acting Comptroller Hsu's identification of the following questions that bank boards should be able to adequately address, banks should impart their answers and work plans to address these concerns with the OCC:

- What is our long-term exposure to climate change, and how manageable is this exposure?
- Which counterparties, sectors, or locales need our heightened attention and focus?
- How vulnerable are our data centers and other critical services to extreme weather?
- What can we do to position ourselves to seize opportunities from climate change?[36]

Banks Should Divest from Climate Change Exacerbating Projects

The OCC must ensure that public facing promises made by banks to divest from climate change exacerbating projects are met, and that through investment, banks are not further contributing to many of the industries that worsen climate change. For example, many banks finance activities

[35] "Climate Scientists Swap Fieldwork for Finance." By Simon Jessop, Carolyn Cohn, and Iain Withers. Reuters. April 15, 2021. Available at https://www.reuters.com/business/sustainable-business/climate-scientists-swap-fieldwork-finance-2021-04-15/.
[36] "Five Climate Questions Every Bank Board Should Ask." By Acting Comptroller of the Currency Michael J. Hsu. November 8, 2021. Available at https://www.occ.gov/news-issuances/speeches/2021/pub-speech-2021-116.pdf.

that further fuel climate change and are more likely to harm vulnerable consumers such as natural gas extraction, coal mines, and coal-fired power plants, and oil extraction and pipelines. From 2016 to 2020 the world's 60 largest commercial and investment banks invested $3.8 trillion into fossil fuels.[37]

Banks must stop funding fossil fuel projects such as oil pipelines, natural gas-fired power plants, and coal-fired power plants, which emit greenhouse gas emissions and increase climate change. These projects lead to stronger hurricanes and wildfires, drought and heat waves, more frequent and extensive flooding, unusually hot or cold weather patterns, and rising sea levels, which lead to massive financial and human costs, as well as destruction of both personal property and public infrastructure. Therefore, the result is a self-fulfilling cycle of banks financing climate change, which contributes to financial instability while raising costs and creating greater exposure for the most vulnerable consumers.

Despite making public facing promises to invest in clean, sustainable financing, some banks have been resistant to divest from fossil fuels.[38] These actions are necessary in order to reduce climate change and transition to a lower-carbon economy. Banks must stop financing new fossil fuel projects and expanding existing projects. Further, they should start phasing out existing insurance and funding for them unless there are exceptional circumstances.

Banks Should Prioritize Long Term Thinking and Analysis

Traditionally banks and other financial institutions have prioritized shorter time horizons, profits, and immediate risks. While they examine past records and behavior, they make decisions based on immediate and near-future consequences. But investors, market participants, banks, and regulators all must consider the effects of climate change and its impact on risks over the long term.

In comparison, insurance companies aim to distribute risk so that individuals and individual companies do not have to bear the full brunt of losses, by selling a diverse set of policies across a variety of markets. However large natural disasters such as hurricanes and wildfires can destroy or impact large areas and overwhelm insurers, possibly creating compounding losses. Climate change is making these cases more frequent, yet many insurers are underestimating the risks involved.[39] Banks and other financial institutions must prioritize long term planning and legacies

[37] "60 Largest Banks in the World Have Invested $3.8 Trillion in Fossil Fuels Since the Paris Agreement." By Catherine Clifford. CNBC. March 24, 2021. Available at https://www.cnbc.com/2021/03/24/how-much-the-largest-banks-have-invested-in-fossil-fuel-report.html.
[38] *Id.*
[39] "The $5 Trillion Insurance Industry Faces a Reckoning. Blame Climate Change." By Umair Irfan. Vox.com. October 15, 2021. Available at https://www.vox.com/22686124/climate-change-insurance-flood-wildfire-hurricane-risk.

over short term profits. They should consider circumstances and climate over the next twenty, thirty, or even fifty years, and make the necessary preparations.

4. Conclusion

The OCC's draft principles are an excellent beginning to addressing climate related financial risk. CFA urges that they be strengthened and adopted as quickly as possible. The banking industry, its regulators, and all consumers have a lot at stake, yet the burden of climate change and the financial risks will be disproportionately carried by consumers of color, LMI, and other vulnerable consumers. Climate change will impact every area of the financial sector and create dramatic risks, raising costs for everyone unless sweeping measures are adopted.

We look forward to participating in this conversation going forward and offering feedback on OCC's requirements for financial institutions. Please contact Rachel Gittleman (rgittleman@consumerfed.org) with any questions.