

April 19, 2004

Public Information Room
Office of the Comptroller of the Currency
250 E Street, SW
Mailstop 1-5
Washington DC 20219

RE: Docket #04-05

Dear Sir/Madam:

We appreciate the opportunity to comment on the regulatory proposal referenced above, specifically relating to HMDA and CRA reporting.

The purpose for HMDA was to help determine whether financial institutions are serving the "housing" needs of their communities. With this purpose in mind, please explain to me why the following HMDA information is being interpreted as it is.

The new definition for refinancing under HMDA states that if a new loan satisfies and replaces an existing loan; and both existing loan and new loan are secured by a lien on a dwelling, it is HMDA reportable. There is no more purpose test.

With this new definition, I felt we now had the opportunity to report business purpose loans that are "predicated" on a 1-4 dwelling that were not previously CRA or HMDA reportable. I was then told not only are these reportable, but also anything relating to small business or small farm with a dwelling securing the loan in any manner (over abundance or additional collateral) was also HMDA reportable. Nowhere in the new amended regulation is there any reference to double reporting of loans under HMDA or CRA?

By double reporting the following, false information will be created:

1. Under CRA the census tract is where the business is located;
2. Under HMDA the census tract is where the dwelling is located;
3. If we report according to the new HMDA refinance information given to me, these types of loans will now have two different census tracts (a processing nightmare) and HMDA total dollars will now have commercial loan dollars, in residential census tract numbers.

I was also informed that regulators are to keep in mind the double reporting when doing a CRA Evaluation. Why would that be?

Is this in fact an error in information given out to me from the Federal Reserve Board? I feel the definition of "refinance" under HMDA needs more clarification as it applies to business purpose, not changed. CRA and HMDA are too "tied together" to be double reporting.

Feel free to contact me should you have any questions.

Sincerely,

Kathleen A. Humke
Vice President / Compliance